



HPL ELECTRIC & POWER LIMITED

Our Company was incorporated as 'HPL-Socomec Private Limited' on May 28, 1992 as a private limited company under the Companies Act 1956 ("Companies Act 1956"), with the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (the "RoC"). Pursuant to a resolution of our Board of Directors dated January 21, 2010 and a resolution of our shareholders dated February 18, 2010, the name of our Company was changed to HPL Electric & Power Private Limited and a fresh certificate of incorporation was issued upon change of name by the RoC on March 10, 2010. Further, pursuant to conversion of our Company to a public limited company, the name of our Company was changed to 'HPL Electric & Power Limited' and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on December 14, 2015. For details, see "History and Certain Corporate Matters" on page 148.

Corporate Identity Number: U74899DL1992PLC048945

Registered and Corporate Office: 1/21, Asaf Ali Road, New Delhi 110 002, India **Tel:** (+91 11) 2323 4411 **Fax:** (+91 11) 2323 2639

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PROMOTERS: MR. LALIT SETH, HAVELL'S PRIVATE LIMITED, HPL INDIA LIMITED AND HAVELL'S ELECTRONICS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF HPL ELECTRIC & POWER LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("THE ISSUE PRICE") AGGREGATING UP TO ₹ 4,500 MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOAD ON THEIR RESPECTIVE WEBSITES.

Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the members of the Syndicate and by intimation to Self Certified Syndicate Banks ("SCSBs"), the Registered Brokers, Registrar to an issue and Share Transfer Agents ("RTAs") and Collecting Depository Participants ("CDPs"), and together with the Registered Brokers and RTAs, the "Designated Intermediaries").

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") wherein 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All investors (except Anchor Investors) can participate in this Issue only through the ASBA process. For details in this regard, specific attention is invited to "Issue Procedure" on page 357.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the securities of our Company, there has been no formal market for the securities of our Company. The face value of our Equity Shares is ₹ 10 and the Floor Price and Cap Price are [●] times and [●] times of the face value of our Equity Shares, respectively. The Issue Price (as determined and justified by our Company in consultation with the BRLMs and as stated in "Basis for Issue Price" on page 91) 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 and/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 Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 14.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Issue, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE



SBI Capital Markets Limited
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Mumbai - 400 005
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Email: hpl ipo@sbicaps.com
Website: www.sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Contact Person: Ms. Neha Malik / Mr.
Aditya Deshpande
SEBI Registration No.: INM000003531

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg, Churchgate
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Tel: (+91 22) 2288 2460
Fax: (+91 22) 2282 6580
Email: hpl.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Contact Person: Ms. Payal Kulkarni
SEBI Registration No.: INM000011179

IDFC Bank Limited
Naman Chambers
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Bandra (East), Mumbai 400 051, India
Tel : (+91 22) 6622 2600
Fax : (+91 22) 6622 2501
Email: hpl.ipo@idfcbank.com
Website: www.idfcbank.com
Investor Grievance E-mail: mb.ig@idfcbank.com
Contact Person: Mr. Mangesh Ghogle
SEBI Registration No.: MB/INM000012250

Karvy Computershare Private Limited
Karvy Selenium Tower B
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Investor Grievance Email:
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Contact Person: Mr. Murali Krishna
SEBI Registration No.: INR000000221

BID/ISSUE PERIOD*

BID/ISSUE OPENS ON

[●]

BID/ISSUE CLOSES ON (FOR QIBs)**

[●]

BID/ISSUE CLOSES ON (FOR ALL OTHER BIDDERS)

[●]

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

** Our Company, in consultation with the BRLMs, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.



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SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or modifications or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, including any terms and abbreviations used in the sections, “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Our Business” and “Main Provisions of the Articles of Association” on pages 95, 181, 314, 127 and 403, respectively, shall have the meanings given to such terms in these respective section.

Unless the context otherwise indicates, all references to “the Company”, “our Company” and “the Issuer”, are to HPL Electric & Power Limited, a company incorporated in India under the Companies Act 1956 with its Registered Office at 1/21, Asaf Ali Road, New Delhi 110 002, India. Furthermore, unless the context otherwise indicates, all references to the terms “we”, “us” and “our” are to HPL Electric & Power Limited and its Subsidiary (as defined below) on a consolidated basis.

Company Related Terms

Term	Description
AIPL	Amerex (India) Private Limited
APL	Amerex Private Limited
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Auditors	The statutory auditor of our Company, being Sahni Mehra & Co., Chartered Accountants
Audit Committee	The committee of the Board of Directors constituted as our Audit Committee in accordance with Regulation 18 of the SEBI Listing Regulations, comprising Mr. Tarun Sehgal, Mr. Virender Kumar Bajaj, Mr. Jatinder Singh Sabharwal and Mr. Gautam Seth
Board or Board of Directors	The board of directors of our Company and any Committee thereof
Corporate Promoters	HPL India Limited, Havell’s Private Limited and Havell’s Electronics Private Limited
Corporate Social Responsibility Committee / CSR Committee	The committee of the Board of Directors constituted as our Corporate Social Responsibility Committee comprising Mr. Lalit Seth, Mr. Rishi Seth, Ms. Madhu Bala Nath and Mr. Jainul Haque
CRPS	Compulsorily Redeemable Preference Shares
Director(s)	The director(s) on our Board of Directors
Equity Shares	The fully paid up equity shares of our Company of face value of ₹ 10 each
Equity Shareholders / Shareholders	The holders of the Equity Shares
Frost & Sullivan	Frost & Sullivan (I) Private Limited
Frost & Sullivan Report	The report titled ‘Indian Power Sector Overview And Market Landscape For Select Electrical Equipments’ dated February 2016, prepared by Frost & Sullivan
Gharaunda Facility	Our manufacturing facility located at G.T. Road, Bastra, Gharaunda, Panipat (Haryana)
Government Agencies	Governmental agencies to which we supply our products, including Central and State public works departments, municipal corporations and public sector enterprises, amongst others
Group Companies	Companies as identified and disclosed in “Our Promoters and Group Companies” on page 169
Gurgaon Facility I	Our manufacturing facility located at 133, Pace City I, Gurgaon (Haryana)
Gurgaon Facility II	Our manufacturing facility located at 357Q, Pace City II, Gurgaon (Haryana)
Gurgaon R&D Centre	Our in-house research and development centre located at Gurgaon (Haryana)
HEPL	Havell’s Electronics Private Limited
HIL	HPL India Limited
HPCL	HPL Power Corporation Limited
HPL-Shriji JV	HPL Electric & Power Private Limited – Shriji Designs (JV)
HPL-Shriji-Trimurthi JV	HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV)
HPTL	HPL Protection Technologies Limited



Term	Description
HPTL Scheme of Amalgamation	Scheme of amalgamation filed by our Company and HPTL before the High Court of Delhi at New Delhi for its approval, under sections 391 to 394 of the Companies Act 1956 which was sanctioned by the High Court of Delhi pursuant to an order dated October 22, 2008 with effect from April 1, 2008 and consequent to which our Company acquired the lighting equipment business
Himachal Energy IPO Committee	Himachal Energy Private Limited The IPO Committee of the Board of Directors, comprising Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Vinod Ratan constituted on January 21, 2016 to facilitate the process of the Issue
JIPL	Jesons Impex Private Limited
Jabli Facility	Our manufacturing facility located at Shavela, Jabli, Kasuli (Himachal Pradesh)
Joint Ventures	HPL Electric & Power Private Limited - Shriji Designs (JV) and HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV), collectively the joint ventures of our Company
Key Managerial Personnel / KMP	The key managerial personnel of our Company as disclosed in “ Our Management ” on page 155
Kundli Facility	Our manufacturing facility located at 76B, sector 57, HSIIDC, Kundli (Haryana)
Kundli R&D Centre	Our in-house research and development centre located at Kundli (Haryana)
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Materiality Policy	The policy adopted by our Board, in its meeting held on December 24, 2015 for identification of Group Companies, material creditors and material legal proceedings involving the Company, its subsidiary, Joint Ventures, Directors, Promoters and its Group Companies
Power Utilities Promoters	State electricity boards and power distribution companies to which our Company sells its products Mr. Lalit Seth, Havell’s Private Limited, Havell’s Electronics Limited and HPL India Limited
Promoter Group	Persons and entities constituting the promoter group of our Company, in accordance with Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered and corporate office of our Company situated at 1/21, Asaf Ali Road, New Delhi 110 002, India
Restated Consolidated Financial Statements	Audited restated consolidated summary statements of assets and liabilities as on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and audited restated consolidated summary statements of profits and losses and cash flows for the six months period ended September 30, 2015 and for each of the fiscals ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 for the Company and its Joint Ventures
Restated Standalone Financial Statements	Audited restated standalone summary statements of assets and liabilities as on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and audited restated standalone summary statements of profits and losses and cash flows for the six months ended September 30, 2015 and for each of the fiscals ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 for the Company
Restated Financial Statements	Restated Consolidated Financial Statements and Restated Standalone Financial Statements collectively
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi
R&D Centres	Kundli R&D Centre and Gurgaon R&D Centre, collectively
Socomec	Socomec S.A., France
Sonepat Facility	Our manufacturing facility located at Dhaturi Road, Bhigan, Sonepat (Haryana)
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Stakeholders’ Relationship Committee comprising Mr. Virender Kumar Bajaj, Mr. Rishi Seth, Mr. Gautam Seth and Mr. Vinod Ratan
Shriji	Shriji Designs
Tool Rooms	Our two tool rooms operated at Gurgaon (Haryana) and Kundli (Haryana), within our R&D Centres
Trimurthi	HPL Electric & Power Private Limited

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as a proof of registration of the Bid
Allotted/Allotment/Allot	The issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Anchor Escrow Account	Account opened with the Anchor Escrow Bank for the Issue and in whose favour the Anchor Investors will make payments in respect of the Bid Amount when submitting a Bid



Term	Description
Anchor Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Anchor Escrow and Refund Bank for collection of Bid Amounts and where applicable remitting refunds, if any, to Anchor Investors, on the terms and conditions thereof
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall open and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price
Anchor Refund Account(s)	Account(s) opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	Account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by Bidders (other than Anchor Investors)
Banker to the Issue/Anchor Escrow Bank	The bank which is a clearing member and registered with the SEBI as an escrow collection bank, with whom the Anchor Escrow Account in relation to the Issue for Bids by Anchor Investors will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, described in “ <i>Issue Procedure</i> ” on page 357
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable/blocked by the Bidder upon submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the 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
Bid/Issue Closing Date	Except in relation to any bids received from Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Issue, which shall be published in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located). Our Company, in consultation with the BRLMs, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, subject to the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be published by our Company in the [●] edition of [●] (a widely circulated English national daily newspaper) and the [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located)
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being SBI Capital Markets Limited, ICICI Securities Limited and IDFC Bank Limited



Term	Description
Broker Centres	Broker centres of the Registered Brokers, where Bidders can submit the Bid cum Application. 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 http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm .
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares in the Issue
Cap Price	The higher end of the Price Band above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participants/CDPs	A depository participant registered under Section 12(1A) of the SEBI Act and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time, in accordance with SEBI CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Issue Price, finalized by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where the Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the Collecting Depository Participants are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and updated from time to time
Designated Date	The date on which the Anchor Escrow Collection Bank and Refund Bank transfer the funds from the Anchor Escrow Account to the Public Issue Account or the Refund Account, as appropriate, and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) and/or unblocking such amounts in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	Members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centers of the RTAs where Bidders can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and updated from time to time
Designated Stock Exchange	[•]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated February 25, 2016, filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted, including any addenda or corrigenda thereto
Eligible FPI	An FPI from such jurisdiction outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Issue Price and the Anchor Investor Issue Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares



Term	Description
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and included in “ Issue Procedure ” on page 357
Issue	Public issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ 4,500 million Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.
Issue Agreement	The agreement dated February 24, 2016 entered into amongst our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date.
I-SEC	ICICI Securities Limited
IDFC	IDFC Bank Limited
Equity Listing Agreement	Listing agreement to be entered into by our Company with the Stock Exchanges
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, on a proportionate basis
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses
Non-Institutional Category	The portion of the Issue, being not less than 15% of the Issue or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Pre-IPO Placement	Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including revisions thereof. The Price Band and the minimum Bid lot for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in the [●] edition of [●], a widely circulated English national daily newspaper and the [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website
Pricing Date	The date on which our Company, in consultation with the BRLMs, shall finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC for this Issue on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto



Term	Description
Public Issue Account	The account(s) to be opened with the Banker(s) to the Issue to receive monies from the Anchor Escrow Account(s) and the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue, being 50% of the Issue or [●] Equity Shares available for allocation to QIBs on a proportionate basis, (including the Anchor Investor Portion in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs, subject to valid Bids being received at or above the Issue Price)
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate
Registrar Agreement	The agreement dated February 18, 2016, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
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 Issue	Karvy Computershare Private Limited
Retail Category	The portion of the Issue, being not less than 35% of the Issue or [●] Equity Shares, available for allocation to Retail Individual Investors, to be allocated in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Retail Individual Investors/ RIIs	Individual Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue is not more than ₹ 200,000 in any of the bidding options
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the price) at any stage
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	BSE and NSE
Syndicate Agreement	The agreement to be entered into amongst the members of the Syndicate, our Company and the Registrar to the Issue in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs and to the Designated Intermediaries)
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Underwriters	The members of the Syndicate who will also be signatories to the Underwriting Agreement
Underwriting Agreement	The agreement to be entered among our Company and the Underwriters on or after the Pricing Date
Working Day(s)	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Conventional and General Terms and Abbreviations

Term	Description
12 th FYP	Twelfth Five Year Plan, formulated by the former Planning Commission, Government of India
2015 Union Budget	Union Budget announced by the Government of India in 2015
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AIF(s)	Alternative Investment Funds registered with SEBI under the SEBI AIF Regulations
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India



Term	Description
AS 14	Accounting Standard 14 issued by the Institute of Chartered Accountants of India
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Banking Regulation Act	Banking Regulation Act, 1949
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
Central Excise Act	Central Excise Act, 1944, as amended
Central Excise Notifications	Notifications 49/2003-CE and 50/2003-CE, issued under the Central Excise Act
Central Sales Tax Act	Central Sales Tax Act, 1956
CIA World Factbook	The World Factbook' issued by the Central Intelligence Agency
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from May 12, 2015
CPCB	The Central Pollution Control Board, Ministry of Environment and Forests, Government of India
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DEIT	Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India
DIPP	Department of Industrial Policy and Promotion, MCI
DP	Depository participant
DP ID	Depository participant's identity number
DSIR	Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
Environment Protection Act	Environment Protection Act, 1986
EESL	Energy Efficiency Services Limited
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ERDA	Electrical Research and Development Association
ERP	Enterprise resource planning
ESI Act	Employees' State Insurance Act, 1948
Electricity Act	The Electricity Act, 2003
Fluorescent Lamps Guidelines	Guidelines for Environmentally Sound Mercury Management in Fluorescent Lamp Sector issued by the CPCB
FCNR Account	Foreign currency non resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 2000	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors as defined under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with the SEBI under applicable laws in India and deemed as FPIs under the SEBI FPI Regulations
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI

Term	Description
	until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross domestic product
GST	Goods and Services Tax
GoI	The Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF(s)	Hindu undivided family
HPSEB	Himachal Pradesh State Electricity Board Limited
ICAI	Indian Institute of Chartered Accountants
IDR Act	Industries (Development and Regulation) Act, 1951
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
IndAS	Indian Accounting Standards
IT Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IRDA Investment Regulations	the Insurance Regulatory and Development Authority (Investment) Regulations, 2000
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCI	Ministry of Commerce and Industry, Government of India
MoEF	Ministry of Environment and Forests, Government of India
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NABL	National Accreditation Board for Testing and Calibration Laboratories
NAV	Net asset value
NDMC	New Delhi Municipal Corporation
NEC	National Electric Code
Notified Sections	The sections of the Companies Act 2013 that have been notified by the MCA and are currently in effect
N.I. Act	Negotiable Instruments Act, 1891
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-resident external account established and operated in accordance with the FEMA
NRI	Non-resident Indian
NRO Account	Non-resident ordinary account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OEMs	Original equipment manufacturers
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
Public Liability Act	Public Liability Insurance Act, 1991
PWD	Public Works Department of state governments
Quality Control Order	The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003
RBI	The Reserve Bank of India
RBI Annual Report	The Reserve Bank of India Annual Report 2014-15 for the year ended June 30, 2015 of the Reserve Bank of India
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojna
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investment Funds) Regulations
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000



Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	The Trademarks Act, 1999
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
Water Act	Water (Prevention and Control of Pollution) Act, 1974
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Industry Related Terms

Term	Description
AMI	Advanced metering infrastructure
AMR	Automatic meter reading
AT&C Losses	Aggregate Technical and Commercial Losses
CAD	Computer-aided design
CFL	Compact fluorescent lamps
CNC	Computer numerical control
DELP	Demand side management based efficient lighting program
ELCOMA	Electric Lamp and Component Manufacturers Association of India
ESCO	Energy saving companies
GW	Gigawatts
HT	High tension
H.R.C.	High rupturing capacity
IS	Indian Standards
LED	Light emitting diode
LPG	Liquefied petroleum gas
LV	Low voltage
LT	Low tension
MCB	Mini circuit breaker
MCCB	Moulded case circuit breaker
PCB	Printed circuit boards
PVC	Polyvinyl chloride
RAPDRP	Restructured Accelerated Power Development and Reforms Program
RCCB	Residual case circuit breaker
T&D Equipment	Transmission and distribution equipment
UDAY	Ujwal DISCOM Assurance Yojana

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 1956, as superseded and substituted by notified provisions of the Companies Act 2013 (“**Companies Act**”), the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Statements*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure - Part B*”, will have the meaning ascribed to such terms in these respective sections.



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

Certain Conventions

All references in this Draft Red Herring Prospectus to “**India**” are to the Republic of India. All references in this Draft Red Herring Prospectus to the “**U.S.**”, “**USA**” or “**United States**” are to the United States of America.

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

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements and Restated Standalone Financial Statements for the six months ended September 30, 2015 and for the fiscals 2015, 2014, 2013, 2012 and 2011, prepared in accordance with the Generally Accepted Accounting Principles in India (the “**Indian GAAP**”) and the Companies Act, and restated in accordance with the SEBI ICDR Regulations.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Our Company will be required to prepare financial statements under IND-AS with effect from April 1, 2016. The transition to IND-AS in India is very recent and we cannot assure you the impact of such transition on our Company. For details, see “**Risk Factors 43 – Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of our financial condition. Further, our failure to successfully transition to IndAS may have an adverse effect on the price of our Equity Shares.**” on page 35.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from the report titled ‘*Indian Power Sector Overview And Market Landscape For Select Electrical Equipments*’ dated February 2016, prepared by Frost & Sullivan (I) Private Limited (the “**Frost & Sullivan Report**”) and various other industry publications and publicly available sources, including ‘*The World Factbook*’ issued by the Central Intelligence Agency (the “**CIA World Factbook**”), ‘*World Economic Outlook: Adjusting to Lower Commodity Prices*’, dated October 2015, prepared by the International Monetary Fund (“**World Economic Outlook**”) and the *Reserve Bank of India Annual Report 2014-15* for the year ended June 30, 2015 of the Reserve Bank of India (“**RBI Annual Report**”). Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed



to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in ***“Risk Factors 30 - This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan.”*** on page 31. Accordingly, investment decisions should not be based solely on such information.

Additionally, certain information in the chapters titled ***“Summary of Industry”***, ***“Summary of Business”***, ***“Industry Overview”*** and ***“Our Business”*** of this Draft Red Herring Prospectus have been obtained from the Frost & Sullivan Report.

Currency and Units of Presentation

All references to **“Rupees”** or **“₹”** or **“Rs.”** are to Indian Rupees, the official currency of the Republic of India. All references to **“US\$”**, **“U.S. Dollar”**, **“USD”** or **“U.S. Dollars”** are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

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

The exchange rates of U.S. Dollars as on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are provided below.

(in ₹)						
Currency	Exchange rate as on September 30, 2015	Exchange Rate as on March 31, 2015	Exchange rate as on March 31, 2014	Exchange rate as on March 31, 2013	Exchange rate as on March 31, 2012	Exchange rate as on March 31, 2011
1 USD	65.58	62.51	59.92	54.31	50.88	44.60

Source: SBI Card Rate



FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements include statements with respect to our business strategies, objectives, plans or goals and other matters discussed in this Draft Red Herring Prospectus. These forward looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*” “*objective*”, “*plan*”, “*project*”, “*will likely result*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such 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. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses 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 our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, but are not limited to:

- our ability to successfully identify customer requirements and preferences and gain customer acceptance for our products;
- competition in relation to our products, including from competitors that may have greater financial and marketing resources and our ability to effectively compete with such competitors;
- our ability to manage our working capital cycles and generate sufficient cash flow to satisfy any additional working capital requirements;
- maintaining our relationships with third party authorized dealers and the continuity in their businesses and their ability to maintain their financial health;
- delays in payment from or disputes with Power Utilities, including state-owned power distribution companies;
- our ability to maintain and enhance the ‘HPL’ brand;
- continued operations at our manufacturing facilities without disruptions and our ability to operate our manufacturing facilities at optimum capacity utilization;
- fluctuations in foreign currency exchange rates, particularly in relation to import of raw materials;
- availability and cost of raw materials and continued supply from third party suppliers; and
- our reliance on third parties such as carrying and forwarding agents for the storage and delivery of our products.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 127 and 287, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

Neither our Company, nor the Syndicate, nor any of their respective affiliates will 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. Our Company and the BRLMs will ensure that investors in India are informed of material developments as required under applicable Law or relevant within the context of the Issue, until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Issue. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, the Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly accessible in the manner specified by SEBI.



SECTION II - RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. To obtain a complete understanding, you should read this section together with “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 127, 181 and 287, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and cash flows. Specific attention is directed to the fact that our Company is situated in India and is governed by Indian law, which may, in certain aspects, be different from the legal and regulatory environment in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including risks involved therein.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this offering unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The financial information in this section is derived from our Restated Consolidated Financial Statements as on and for the six months ended September 30, 2015 and the fiscals ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, unless otherwise stated.

Risks related to our business and operations

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

Our future success depends on our ability to ensure continued demand for our products in existing and proposed markets, which requires us to continuously anticipate and respond in a timely manner to customer requirements and preferences. Further, our success is dependent on our ability to gain customer acceptance for our current and future products. If we are unable to successfully anticipate customer requirements, or are unable to modify our current portfolio of products or develop new products, in a timely manner, we may lose customers or become subject to greater pricing pressures. Further, though we are committed to product innovation to respond to changing technology in the electric equipment industry, there can be no assurance that we would be successful in developing new products that respond to such changes or changes in customer requirements and preferences or that our products would gain acceptance in our existing or new markets. A decline in demand for our products, or an error in our forecasts for future demand, among other things, could lower our sales, increase inventory levels and may require us to sell our products at substantially marked-down prices. Moreover, failure to correctly anticipate trends and adapt to the changing technological environment may result in obsolescence of and reduced demand for our products.

Additionally, the electric equipment industry is influenced by changes in customer preferences, technology and market requirements among other things. For instance, there has been a continued and significant shift in customer preference from compact fluorescent lamps (“CFLs”) to light-emitting-diode (“LED”) lamps on account of changing technology (Source: Frost & Sullivan Report). Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive. To keep abreast of the



most updated technology and respond effectively to changing customer preferences and requirements, we may be required to undertake additional capital expenditures and investments to upgrade our manufacturing facilities. Our research and development efforts towards upgrading and developing newer technologies for manufacturing modern electric equipment at competitive prices may not be successful or may not fructify into successful commercial production in a timely manner or at all.

The development of alternative technologies or a fundamental shift in technologies in key markets for our electric equipment could have an adverse effect on our business. For instance, the introduction of LED lamps may result in a significant reduction in the sale of CFLs due to the superior technology used therein. The increased acceptance and use of alternative technologies may exert a downward pressure on our sales and consequently have an adverse effect on our future results of operations and financial condition.

2. *We face competition in relation to our offerings, including from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.*

We operate in an increasingly competitive market and our results of operations and financial condition are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Increasing competition may result in pricing pressures and decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations.

We face competition from other manufacturers, traders, suppliers and importers of electric equipment in relation to our offerings, in the organized and unorganized sectors. Suppliers in the electric equipment industry compete based on key attributes including technical competence, product quality, strength of sales and distribution network, pricing and timely delivery. While our competitors in the organized sector focus more on technology and quality of their products, their unorganized counterparts supply their products at extremely competitive prices, which we may be unable to effectively compete with. For instance, we face competition from electric equipment of Chinese origin, primarily in the switchgear and lighting equipment verticals, which have gained significant presence in the Indian electric equipment market and which may be sold at more competitive prices than what we offer (*Source: Frost & Sullivan Report*).

Further, many of our competitors, specifically multinational companies, may have significant competitive advantages, including greater brand recognition and greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Additionally, certain of our competitors specialise in manufacturing electric equipment within particular product verticals and hence, may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior equipment than us and their brands may gain greater visibility within those product verticals. Our competitors may, further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

For further details in relation to the competition we face and our significant competitors, see “*Industry Overview*” and “*Our Business*” on pages 99 and 127, respectively.

3. *We have long working capital cycles and significant working capital requirements. If we are unable to effectively manage our working capital cycles or generate sufficient cash flow to satisfy any increased working capital requirements and make required payments for our business, our results of operations may be negatively impacted.*

Our business requires significant amounts of working capital including for financing our raw material purchases and manufacturing our products before we receive payments from our customers. Further, our working capital requirements may increase if, contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer. Moreover, our working capital requirements may also increase in the event we undertake a larger number of orders due to the growth of our business.



In particular, our sales to state electricity boards and power distribution companies (“**Power Utilities**”) require us to incur significant amounts of working capital on account of contractual terms stipulating payments to be made after delivery, which may further be delayed due to their weak financial health. We are also customarily required to provide performance guarantees to such Power Utilities to secure obligations under contracts with them. Further, we continue our manufacturing activities during the pre-dispatch inspection process undertaken by such Power Utilities, and under certain contracts are required to maintain rolling stock of our products at all times. In the event our products are rejected pursuant to such inspection, our unsold inventory of finished products may increase significantly. We may also need additional working capital for undertaking requisite modifications to such products before we can resell them. Additionally, our raw material imports are against letters of credit in favour of our suppliers to secure our payment obligations. If we are unable to provide sufficient collateral to secure such letters of credit or performance guarantees, our ability to enter into contracts for sales of our products, primarily to Power Utilities, or obtain adequate raw material supplies may be restricted. As we expand our operations, we will require additional working capital to secure such letters of credit and/or performance guarantees.

Long working capital cycles, particularly due to delay in payments from our customers further increase our working capital requirements. Although our annual sales policy and contract caps the credit cycle of such authorized dealers at 60 days, our authorized dealers may take up to 150 days to make payments. Further, the number of holding days required for realizing our trade receivables have increased during the six months ended September 30, 2015, as compared to holding days required for realizing our trade receivables during fiscal 2015. While we are in the process of implementing measures to improve our inventory management and rationalize our working capital cycle, 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.

4. Disruption in our relationships with third party authorized dealers, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information could adversely affect our business, operating cash flows and financial condition.

We rely upon our network of third party authorized dealers or distributors for a significant portion of our sales and distribution operations within India. As on December 31, 2015, we had appointed over 2,000 authorized dealers to whom we sell our products for further sale and distribution to over 12,000 retailers, as on December 31, 2015, government agencies including central and state public works departments, municipal corporations and public sector enterprises, amongst others (collectively, “**Government Agencies**”), developers of industrial, residential and commercial building projects and other end-consumers. We also sell our products directly to certain institutional and corporate customers for which, we may procure orders through our authorized dealers. We typically enter into annual contracts with our authorized dealers for the sale and distribution of our products that can be renewed at the instance of our Company. Our annual contracts include certain incentives for our authorized dealers, including offering cash discounts at varied rates where we receive payments within particular time periods, with the credit cycle capped at 60 days from the date of the invoice raised in favour of our authorized dealers. However, from time to time, our authorized dealers take up to 150 days to make payments to us. Our authorized dealers are also source of market information for our products which aids our production teams in preparing demand estimates.

While we believe that our relationship with our authorised dealers have been satisfactory, we cannot assure you that we will be able to maintain our relationships with such third party authorised dealers in the future. Further, there can be no assurance that these third party authorised dealers will continue to maintain adequate sales capabilities, will be successful in ensuring onward sale of our products or that they will continue to provide verified and adequate information for preparing demand forecasts for our products. Further, our contracts with our authorised dealers do not have built in exclusivity clauses. If our competitors offer our authorised dealers more favorable terms and/or have larger product offerings available to meet their requirements, those authorised dealers may de-emphasize or decline to distribute our products. Further, our authorised dealers are susceptible to changing their business practices, such as the inventory levels they maintain, or may fail to meet payment schedules, causing us to revise or revoke the credit period extended to them under our annual sales policy and contract. We have also, in the past, had instances of unexpected discontinuation of business by our authorised dealers and non-payment of amounts owed to us, and cannot assure you that such events will not occur in the future. Any such occurrence could disrupt our relationship with our authorised dealers and negatively impact our sales and revenues, business, operating cash flows and financial condition.



While we work with our authorised dealers to ensure continued business with them, we cannot assure you that our authorised dealers will not breach certain terms of their agreements with us or that they will not discontinue their relationships with us, primarily on account of their inability to adhere to our terms and conditions. In the event our authorised dealers are unable to fulfil their obligations under their respective contracts, we may be unable to replace these authorised dealers in a timely manner, at commercially acceptable terms or at all, and our revenue would be materially and adversely affected. We may also have to initiate litigation in respect of any breach by such authorised dealers, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. For instance we have initiated 20 legal proceedings against authorised dealers under the Negotiable Instruments Act, 1881, as amended (“N.I. Act”), for dishonor of cheques, involving an aggregate ascertainable amount of ₹ 14.92 million. In addition, our growth is dependent upon our ability to expand the geographical reach of our sales and distribution network in turn increasing our sales volumes. If we are unable to expand our sales and distribution network due to disruptions in our relationships with our authorised dealers, our business, financial condition and prospects may be adversely affected.

5. *We earn a significant portion of our revenue from Power Utilities. Any delay in payment or disputes with these Power Utilities may have a material adverse effect on our business and financial condition.*

We earn a significant portion of our revenue from sales of our products to Power Utilities, particularly our electronic metering solutions, pursuant to direct contractual arrangements with them. For fiscal 2015, fiscal 2014 and fiscal 2013, our revenue from sale to Power Utilities was 31.81%, 38.80% and 38.85% of the net consolidated revenue from operations for the respective periods. In particular, our sales to Power Utilities are based on submission of bids and grant of contracts, which may require us to offer our products at competitive prices to them. However, there can be no assurance that our bid will be successful. Moreover, even if our bid is successful, we may not receive orders within expected timelines or at all, which may negatively impact our annual production and sales plans. Submission of bids to Power Utilities also require us to provide bid guarantees to the Power Utilities, which are returned either upon receipt of an order from such Power Utility or in case our bid is unsuccessful. In case of a delay in closure of the bidding process or in receipt of an order for our products from the Power Utility, our bid guarantee will be blocked with the Power Utility, which may affect our working capital requirements.

Additionally, our contractual arrangements with Power Utilities typically stipulate a fixed price at which we are required to sell our products to such Power Utility and we may not be able to pass on an increase in the cost, in whole or in part, of manufacture of our products to them in the absence of a provision for adequate adjustments for cost escalation in our existing or future contracts. Further, we are generally required to submit performance guarantees to the Power Utilities in respect of our products, amounting up to 10% of the entire order value, with validity until the end of the warranty period, which usually extends to five years or more, with provision for extension beyond such period. During this period we are required to provide repair and replacement services for products supplied by us to such Power Utilities. However, we have, in the past, had instances where Power Utilities have required us to extend the validity of the performance guarantee. In case of any deficiency in our products or our repair and replacement services, or in the event we fail to meet delivery schedules or extend the validity of such performance guarantees, such Power Utilities may invoke the performance guarantees, requiring us to make significant payments. As on December 31, 2015 the aggregate amount of outstanding performance guarantees given by us was ₹ 2,537.18 million. Moreover, in such cases, or in the event we are unable to supply the contracted quantity in a timely manner, we may be blacklisted from applying for future bids to such Power Utility.

Our contractual arrangements with Power Utilities include confirmed orders for particular quantities of electric equipment to be supplied. For instance, as on September 30, 2015 and March 31, 2015, we had confirmed orders amounting ₹ 2,534.24 million and ₹ 1,934.55 million, respectively, from Power Utilities. However, situations may arise where such Power Utilities purchase only a portion of such quantities, or extend purchasing timelines or cancel the entire order. Further, our products are also subject to pre-dispatch inspections by the Power Utilities, which may take up to one month. However, we continue manufacturing products during this period, which requires us to incur significant additional working capital expenditure. In case Power Utilities do not purchase our products within stipulated timelines, or such pre-dispatch inspections are delayed for any reason, our working capital cycle will be adversely affected, thereby impacting our cash flows and our financial condition. Further, as our supply to Power Utilities consists primarily of meters that are manufactured with inbuilt identification marks of the particular Power Utility, in the event such Power Utility cancels its order due to any reason, we will be required to incur additional costs to modify our products in order to find alternate customers for them.



Moreover, payments from Power Utilities in India have been in the past, and may in the future, be subject to several delays on account of their poor financial health, regulatory scrutiny and long procedural formalities. If payments under our contractual arrangements with Power Utilities are delayed or if such Power Utilities default in making payments for products purchased from us, our sales and revenues would be adversely affected. Delayed payments from or non-payment by Power Utilities would also negatively affect our working capital requirements and may entail incurring additional finance costs. We may also encounter disputes with the Power Utilities for the recovery of such delayed payments, which may place a further strain on our resources. Further, there can be no assurance that the outcome of these disputes would be in our favor and any unfavorable decision would adversely affect our business and prospects. Additionally, we may be included in any ongoing or future investigations that may be undertaken against any Power Utility to which we supply our products in the normal course of our business. Any delay in payment from Power Utilities or our inclusion in any investigations involving the Power Utilities, to which we supply our products, may materially and adversely affect our business, financial condition, reputation and prospects.

6. *If we are unable to maintain and enhance the 'HPL' brand, the sales of our products will suffer, which would have a material adverse effect on our results of operations.*

We believe that our brand image plays a significant role in the success of our business and sustaining customer loyalty. The ability to differentiate our brand and products from that of our competitors through our promotional, marketing and advertising initiatives is an important factor in attracting customers, particularly for retail customers and end users in the switchgear, lighting and luminaries and wires and cables verticals. Maintaining and enhancing our brand image may require us to undertake significant expenditures and make investments in areas such as research and development, advertising and marketing, through media and other channels of publicity, and towards employee development and training. If our initiatives in any of these areas are not effectively implemented or our products fail to find acceptance with our existing and potential customers resulting in loss of customer confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected.

Additionally, we anticipate that as we enter newer markets and face increased competition in our existing and newer markets, maintaining and enhancing our brand image may become more difficult and may require additional expenditures and investments. Our reputation and brand image may also be hampered or negatively impacted by the presence or availability of spurious products sold under our brand or any adverse publicity in such markets. Further, any damage caused on account of our products or any adverse publicity related to our products may negatively impact our reputation and business. Our ability to maintain customer loyalty and to enhance our brand image will be largely dependent on our ability to sustain our position in the market to successfully anticipate and respond to customer requirements and demand in a timely and consistent manner, maintain the quality of our offerings and ensure adequate awareness of our brand. We cannot assure you that we will be successful in achieving all or any of these in an effective manner, or at all. If we are unable to maintain and enhance our brand image, our results of operations may suffer and our business may be harmed.

7. *Continued operations at our manufacturing facilities are critical to our business and any disruption in our manufacturing facilities would have a material adverse effect on our business, results of operations and financial condition. Further, our manufacturing facilities are not operating at optimum capacity utilization and there can be no assurance that we will be successful in achieving such utilization levels.*

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government and regulatory authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business.

Presently, our manufacturing facilities are not operating at optimum capacity utilisation. During the six months ended September 30, 2015, we were operating our manufacturing facilities at Gurgaon Facility I, Gurgaon Facility II, Kundli Facility, Sonapat Facility, Jabli Facility and Gharaunda Facility at 88.77%, 115.86%, 51.82%, 58.85%, 68.91% and 78.50%, respectively, of their installed capacity as on such date. While we seek to increase the capacity utilisation levels, there can be no assurance that demand for our products will grow at expected rates or that we will be successful in capturing this increase in demand. If we are unable to garner adequate demand for our products, we may fail to justify our decisions to increase installed capacity at our manufacturing facilities, which may have an adverse impact on our business prospects, financial condition and results of operations.



Further, we cannot assure you that the capacity utilisation will not further decrease from current utilisation levels, which may further increase the cost of production in the future, as maintenance costs increase for our plant and machinery. If we are unable to pass on this additional cost to our customers, our gross margins could decline and our revenue, results of operations and financial condition would be adversely affected.

Our electricity requirements for our manufacturing facilities are directly sourced from local utilities. While we maintain power back-up in the form of diesel generator sets, we cannot assure you that we will successfully be able to prevent disruptions in our manufacturing processes in case of non-availability of adequate supply of power. Further, if electricity is not available for any future expansion of our manufacturing facilities, we may need to shut down, or in the alternate downsize our manufacturing capacities, until adequate supply of electricity is restored, resulting in reduced production, increased costs associated with maintaining adequate quantities of production to meet current or future demand for our products and the loss of production in progress.

Our business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above.

8. *We are exposed to foreign currency fluctuation risks, particularly in relation to import of raw materials, which may harm our results of operations.*

Our Company imports certain of its raw materials, and for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated expenditure on import of raw material accounted for 23.07%, 23.88%, 25.28% and 26.48%, respectively of our consolidated total expenses. Further, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated revenue from export of our products accounted for 1.41%, 2.61%, 2.63% and 2.22%, respectively of our gross consolidated revenue from operations.

Our financial statements are presented in Indian Rupees. However, our expenditure and revenue are influenced by the currencies of those countries from where we procure our raw materials (for example, Thailand and Hong Kong) and to a limited extent by currencies of countries to which we export our finished products (for example countries in south-east Asia and the Middle East).

The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. Depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of our raw materials or any proposed capital expenditure in foreign currencies. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results.

We presently do not enter into hedging contracts for hedging our foreign exchange risks. As on September 30, 2015, our consolidated unhedged foreign currency payables amounted to ₹ 1,045.85 million and our consolidated unhedged foreign currency receivables amounted to ₹ 21.87 million.

9. *We are dependent on third party suppliers for continued supply of raw materials, the availability and cost of which may adversely affect our business, financial condition, results of operations and prospects.*

Our ability to manufacture and make timely deliveries of our products is dependent on the availability and cost of raw materials. Our consolidated raw material expenditure for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 3,412.03 million, ₹ 7,433.90 million, ₹ 7,302.22 million and ₹ 6,779.04 million which, constituted 56.14%, 64.13%, 65.08% and 67.22% of our gross consolidated revenue from operations for such periods. Our primary raw materials comprise copper, electronic components, engineering plastic and packing material, which contributed to 12.19%, 34.23%, 6.42% and 2.01%, and 11.54%, 31.02%, 7.93% and 2.10%, of our consolidated total expenses for the six months ended September 30, 2015 and fiscal 2015, respectively.

We procure our raw material requirements, directly, through spot contracts from domestic suppliers and through letters of credit opened in favour of international suppliers at pre-determined prices. While we are not dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and any unanticipated variation in any



of these factors could have a material adverse effect on our operations. For instance, the increased volatility in copper prices in fiscal 2015, the primary raw material used in manufacturing wires and cables, resulted in decrease in us accepting orders for manufacture of wires and cables by us, and consequently, our revenue from sale of wires and cables fell by 11.80% in fiscal 2015, as compared to fiscal 2014. Raw material prices, including that of copper, may significantly increase in the future, which may negatively impact our production costs and our revenues. Further, our ability to counter increases in price of raw materials by using raw material substitutes may be restricted and may further increase our cost of production. Our ability to pass on this increased cost in production to our customers may be restricted, particularly to Power Utilities, with whom we typically have fixed price sales contracts. Additionally, there may be limited alternate suppliers for certain of our raw materials and non-availability of any raw material may result in disruption of our manufacturing process.

We generally do not enter into agreements with our suppliers and transact with them on an order-by-order basis, and we cannot assure you that we will continue to enjoy undisrupted relationships with our suppliers in the future. We purchase certain standard raw materials such as copper and polycarbonate based on monthly estimates and certain raw materials based on specifications provided by various customers only upon receipt of confirmed orders. We cannot assure you that we will be able to procure such specific raw materials in a timely manner or at commercially acceptable terms, or at all, resulting in delays in production and delivery of our products. Further, while we presently procure our raw material requirement after undertaking adequate enquiry as to the availability, price and quality of such raw material in the open market, our raw material suppliers may fail to consistently deliver products of acceptable price and quality and within stipulated schedules, or there may not be adequate supply of certain raw materials, which may adversely affect our operations.

If we are unable to obtain adequate supplies of raw material in a timely manner or on commercially acceptable terms, or if there are significant increases in the prices of the raw materials, our business and results of operations may be materially and adversely affected. To the extent that we are unable to secure adequate supplies of raw material which meet our quality standards, or are unable to pass on the price increases to our customers, our profitability and prospects may be impaired.

10. Our reliance on third parties such as carrying and forwarding agents for the storage and delivery of our finished products exposes us to certain risks.

We rely on third parties for the performance of certain functions and services, including the storage and delivery of our finished products and facility management functions. Our ability to identify and build relationships with reliable carrying and forwarding agents and vendors contributes to our growth and successful management of our inventory as well as other aspects of our operations.

We have appointed third party carrying and forwarding agents for carrying out our storage functions. Our carrying and forwarding agents, with whom we execute annual contracts, may fail to renew their contract with us, provide adequate storage facilities for our finished products or fail to make timely deliveries of our products to authorised dealers at the stipulated venue. Although we believe our relationships with our carrying and forwarding agents have been satisfactory thus far, there can be no assurance that we will not experience disruptions in their services in the future. We may be required to replace a carrying and forwarding agent on account of the agent's inability to provide adequate warehousing that meets our quality standards or in the event that such agent consistently fails to satisfy the minimum sales guarantee.

Factors such as the financial instability of carrying and forwarding agents, non-compliance with applicable laws, trade restrictions, labour disputes, severe weather, political uncertainty, terrorist attacks and lack of adequate transport capacity and product handling capabilities and cost may disrupt our distribution chains, which may result in increased costs, damage to our finished products or delivery delays, which may in turn harm our reputation with our customers. While we maintain insurance policies to cover certain of these risks, we cannot assure you that such insurance will be adequate to cover the loss or that any claim that we make under these insurance policies will be honored in full or in part, or on time. There can be no assurance that third party carrying and forwarding agents will be able to meet their contractual commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies in their services or to obtain alternative sources of warehousing in the event that our carrying and forwarding agents should default or be delayed in their performance. A significant disruption in our storage facilities or delivery may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources are arranged.

11. There is outstanding litigation involving our Company, the Promoters, the Directors and the Group



Companies, which, if determined adversely, may affect their business and operations and our reputation.

Our Company, Directors, Joint Ventures, Promoters and Group Companies are involved in certain legal proceedings (including income, sales and service tax, excise and customs duty and regulatory proceedings) at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Directors, Promoters or Group Companies may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

Brief details of such outstanding litigation as of the date of this Draft Red Herring Prospectus are set forth below.

Name of Entity	Criminal proceedings under Section 138 of the N.I. Act	Civil/arbitration proceedings	Tax proceedings	Labour disputes	Regulatory	Aggregate amount involved (₹ in million)
Company						
Against the Company	-	2	24	1	-	246.55*
By the Company	20	-	1	1	-	27.18
Against subsidiaries and Joint Ventures						
Himachal Energy	-	-	3	-	-	1.53
HPL-Shriji JV	-	-	2	-	-	Nil
HPL-Shriji-Trimurthi JV	-	-	2	-	-	Nil
By subsidiary and Joint Ventures						
Himachal Energy	-	1	-	-	-	25.90
Against the Directors						
Mr. Lalit Seth	-	1	-	-	1	2.50*
Mr. Rishi Seth	-	-	1	-	1	0.48
Mr. Gautam Seth	-	-	2	-	1	0.73
By the Directors						
Mr. Lalit Seth	-	1	-	-	-	3.20**
Mr. Rishi Seth	-	1	-	-	-	3.20**
Mr. Gautam Seth	-	1	-	-	-	3.20**
Against our Promoters (excluding our Directors)						
Havell's Private Limited	-	1	-	-	-	2.50*
HIL	-	1	13	-	-	10.39*
HEPL	-	1	14	-	-	13.32*
By our Promoters						
HIL	3	-	-	-	-	3.32
Against our Group Companies						
JIPL	-	-	1	-	1	Nil
By our Group Companies						
JIPL	-	1	-	-	-	3.20**

*Includes litigation instituted by Havells India Limited and Mr. Qimat Rai Gupta, involving our Company and our Promoters. For further details, see "Outstanding Litigation and Material Developments" on page 314.

** Includes civil litigation initiated by Mr. Lalit Seth, our Promoter, Mr. Rishi Seth and Mr. Gautam Seth, our Joint Managing Directors and JIPL, our Group Company. For details, see "Outstanding Litigation and Material Developments" on page 314.

For details, see "Outstanding Litigation and Material Developments" on page 314.

We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters, the Directors and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation.

12. Our indebtedness and imposition of certain restrictive covenants in our debt financing arrangements could adversely affect our financial condition and results of operations.



As on December 31, 2015, we had aggregate outstanding loans of ₹ 6,017.01 million on a consolidated basis, comprising ₹ 5,317.01 million of secured loans and ₹ 700 million outstanding against unsecured commercial paper issued by us. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as our loans are at variable interest rates;
- our ability to declare dividends; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our financing arrangements are secured by our movable assets and by certain immovable assets. Our accounts receivables and inventories, including certain machinery and equipment, are subject to charges created in favour of specific secured lenders. Further, under our secured financing arrangements, some of our lenders have a right to convert existing debt into fully paid up equity shares and to appoint a nominee director on the Board of our Company. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for, among others:

- diluting majority shareholding of our Promoters or any change in control or ownership of our Company;
- obtaining additional borrowings or creation of additional encumbrances over our assets charged as security to our lenders;
- carrying out any material change in the management of our Company or undertaking any merger, amalgamation, compromise or reconstruction;
- amending the constitutional documents of our Company;
- pre-paying any indebtedness incurred by our Company;
- making any corporate investments by way of share capital or debentures or lending or advancing funds to or placing deposits with, any entity, except in the normal course of business and to our employees;
- payments to or lending to any of our Group Companies;
- revaluing the assets of our Company; and
- undertaking guarantee obligations on behalf of any third party or any other company.

While we have obtained relevant consents and waivers from such lenders in relation to this Issue, any failure to meet any of these conditions or to obtain relevant consents, as may be required, could have significant consequences for our business. For further details of the restrictive covenants under financing documents of our Company and details of the consents and waivers obtained from our lenders, see “**Financial Indebtedness**” on page 309.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our business, financial condition, results of operations and cash flows.

13. *If we are unable to accurately forecast customer demand for our products, we may not be able to maintain optimum inventory levels resulting in additional strain on our resources.*

While we manufacture our products for sale to Power Utilities based on confirmed orders under direct contractual arrangements, we determine the quantities of electric equipment manufactured for sales and distribution through our authorized dealers pursuant to management estimates based on historic trends and demand data and our internal forecasts provided to us by such authorized dealers, which is used to extrapolate expected future sales



pattern. During fiscal 2015, fiscal 2014 and fiscal 2013, we earned 31.81%, 38.80% and 38.85%, respectively, of our net revenue from operations from sale to Power Utilities through direct contractual arrangements. We earned the remaining revenue from our operations from sales through our network of authorised dealers.

However, our future earnings through the sale and distribution of our products may not be realized as forecasted, on account of cancellations or modifications of firm orders or our failure to accurately prepare demand forecasts. If we are unable to appropriately estimate the demand for our products for any reason, it could result in excess inventory levels or unavailability of our products during increased demand, resulting in below potential sales. For the six month period ended September 30, 2015 and fiscals ended March 31, 2015, March 31, 2014 and March 31, 2013, we maintained an inventory of finished goods of 16.70%, 8.34%, 7.66% and 7.71% of our gross consolidated revenue from operations, respectively.

Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- introduction of technologically updated electric equipment and changes in customer requirements;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our offerings.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. On the other hand, if we face demand in excess of our production, we may not be able to adequately respond to the demand for our products. This could result in delays in delivery of our products to our customers and we may suffer damage to our reputation and customer relationships. Additionally, our customers may be driven to purchase products offered by our competitors, thereby affecting our market share in the short term, which may extend to the long term. There can be no assurance that we will be able to manage our inventories at optimum levels to successfully respond to customer demand.

14. Our growth strategy to enter international markets exposes us to certain risks, which may adversely affect our business, financial condition, results of operations and prospects.

As part of our growth strategy, we intend to expand the geographical areas in which we sell and distribute our products. We intend to expand into international markets, including to countries in the Middle East, Africa and the south-east Asian region. We cannot assure you that our sales and marketing efforts in these or any other international markets will be successful and provide us with adequate sales and business opportunities.

Expansion of our sales and distribution to countries outside India is accompanied by certain financial and other risks, including:

- changes in foreign regulatory requirements and quality standards;
- local customer preferences and requirements;
- developing local sales and distribution network in such geographies;
- fluctuations in foreign currency exchange rates;
- political and economic instability;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- differing domestic and foreign customs, tariffs and taxes;
- staffing and managing widespread operations; and
- logistic costs and availability.

In addition, entering new geographic areas, for which we currently do not possess the same familiarity with the economy, customer preferences, commercial operation and distribution network. Further, entering new markets poses risks and potential costs such as failure to attract a sufficient number of customers, or to anticipate competitive conditions that are different from those in our existing markets, and significant marketing and promotion costs, among others. We may face the risk that our competitors and the established players in such geographies may be better known and more experienced in such markets and they may enjoy better relationships



with distributors and consumers, gain early access to information regarding attractive sales opportunities and be better placed to launch products with other advantages of being a first mover. Our expansion plans could be delayed or abandoned, incur additional expenditure for execution than anticipated and may divert our resources, including our management's attention, from other aspects of our business. Consequently, it may place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability.

Further, there is no assurance that future political and economic conditions in countries outside India in which we are currently present or will enter in the future will be stable and will not result in their governments adopting different policies with respect to imports in products within the electric equipment industry. Furthermore, any changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labor relations, repatriation of income and return of capital, which may affect our ability to generate profits for our shareholders. There can be no assurance that we will be able to effectively manage our entry into new geographical areas.

15. We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing activities require our management to undertake significant labour interface, and expose us to the risk of industrial action. As at December 31, 2015, we had 1,943 employees on our rolls. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment.

While we presently are not involved in any dispute with our workforce, the employees at our manufacturing Jabli Facility went on a strike on September 3, 2015, subsequent to the HPL Electric & Power Limited and Himachal Energy Workers Union, Jabli (Himachal Pradesh) ("**Jabli Workers' Union**") submitting a demand notice dated July 20, 2015 under the Industrial Disputes Act, 1947 against the occupier of such manufacturing facility, comprising 19 miscellaneous demands, including pay, allowances and other service conditions. The Labour Commissioner, Himachal Pradesh, by orders dated September 15, 2015 prohibited the strike in public interest and simultaneously, referred the dispute to the Industrial Tribunal cum Labour Court, Shimla for adjudication. However, a portion of our workforce continued the strike until November 9, 2015, when a settlement agreement was entered into by our Company with the Jabli Workers' Union. Our production at our manufacturing Jabli Facility was materially and adversely affected, although employees on our rolls continued to be involved in the production activities. Pursuant to an order of the Labour Commissioner, Himachal Pradesh dated November 5, 2015 and a settlement agreement dated November 9, 2015, amongst the Jabli Workers' Union and our Company, we agreed to pay wages of workers prior to September 15, 2015, when the strike was prohibited. Further, certain workers who had been suspended were reinstated and accordingly, the parties agreed to withdraw any cases filed by them against each other. This agreement is valid for three years from the date its execution, and accordingly, the strike was called off and work resumed at our manufacturing Jabli Facility. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force in the future, which may adversely affect our business. Further, if labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

We also enter into contracts with independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we generally do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**"), we may be required to absorb a portion of such contract labour as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

16. We may be subject to risks associated with product warranty.

We are subject to risks and costs associated with product warranties, supply of defective electric equipment, or



related after-sales services provided by us within the warranty periods stipulated for our products. We usually provide warranty against manufacturing defects on our products, other than for LED lamps and meters, for a period of 18 months from the date of manufacture or 12 months from the date of sale/commissioning, whichever earlier. The product warranty for our LED lamps extends to 30 months from the date of manufacture or two years from the date of final sale, whichever earlier, and the warranty period for the meters that we sell to Power Utilities extends for a period exceeding five years from the date of commissioning of the meters supplied to Power Utilities. However, we may offer product warranty for certain electric equipment for longer periods, on account of trade relations with our authorised dealers or institutional customers and corporate houses. We are also required to issue performance guarantees to secure our warranty obligations under our contractual arrangements with Power Utilities. As on September 30, 2015, the aggregate amount of performance guarantees issued to Power Utilities was ₹ 2,537.18 million.

Any defects in the finished products may result in invocation of such warranties or performance guarantees issued by us and may require repair or replacement resulting in additional costs for our Company. While our sales policy requires confirmation and validation of the manufacturing defect by our Company's authorised representatives, lack of adequate response through repair or replacement of our products may lead to assertion of monetary claims, liabilities and/or litigation, which would require us to expend considerable resources. There can be no assurance that we will be able to successfully defend or settle such claims and lawsuits to which we are and in the future may be subject. Further, we may be blacklisted by Power Utilities and/or other Governmental Agencies in the event there are numerous cases of manufacturing defects in our products sold to them or in the event we are unable to supply the contracted quantities of products. Multiple instances of manufacturing defects in our products or any product liability claim against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our reputation, business, results of operations, financial condition and cash flows.

17. The loss of services of our individual Promoter, and members of our senior management, who are involved in our operations and certain other members of our senior management or our inability to attract and retain skilled personnel could adversely affect our business.

Our Promoter and Chairman, Mr. Lalit Seth has over 40 years of experience in the electric equipment manufacturing industry and is responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. We are also dependent on our senior management, directors and other key personnel, and believe our senior management and their understanding of the industry trends and market changes have been instrumental in the success of our brand amongst our customers. Further, we have employed 105 engineers responsible for undertaking research and development at the Gurgaon R&D Centres and the Kundli R&D Centre, towards improving and upgrading our existing offerings and developing new products and technologies. Our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified managers and employees. The loss of their services or those of any other members of senior management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.

18. We are subject to various laws and regulations and required to comply with several regulatory compliance requirement, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.

Our operations are subject to various national, state and local laws and regulations some of which may involve varied interpretations and application of law. We are subject to laws specific to the industry in which we operate, as well as laws generally governing business in India, including those relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require approvals under the Water Act and the Air Act in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax and labour authorities in India. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us, which are generally required to be renewed periodically, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Set forth below are the approvals and licenses for which, we have made applications but have not received the



approval/license, as on the date of this Draft Red Herring Prospectus.

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for renewal of registration and license issued under the Factories Act, 1948	Labour Department, Haryana	Form - 2	February 2, 2016
2.	Application for renewal of the no objection certificate with respect to fire safety arrangement	Municipal Corporation, Gurgaon, Haryana	201509125850	September 12, 2015
3.	Application for renewal of no objection certificate with respect to fire safety arrangement made to Municipal Corporation, Gurgaon	Municipal Corporation, Gurgaon, Haryana	201510193765	October 19, 2015
4.	Application for renewal of the no objection certificate with respect to fire safety arrangement made to the Fire Station Officer, Kundli (Haryana)	Fire Station Officer, Kundli (Haryana)	Not Applicable	September 1, 2015
5.	Application for the renewal of the no objection certificate with respect to fire safety arrangement made to the Chief Fire Station Officer, Shimla, Himachal Pradesh	Chief Fire Station Officer, Shimla, Himachal Pradesh	HEPL/HR/2016	January 27, 2016

For details of pending applications, see “**Government and Other Approvals**” on page 323.

Additionally, we are required to adhere to certain terms and conditions provided for under the statutory and regulatory permits and approvals, some of which may require us to undertake substantial compliance-related expenditure. For details of our material permits and approvals, see “**Government and Other Approvals**” on page 323.

Any alleged breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or noncompliance with permits required at our facilities, which, as a result, may have an adverse effect on our business, financial condition and cash flows. For instance, the Chief Inspector of Factories, Chandigarh issued a show cause notice dated April 21, 2015, requiring us to show cause as to why action should not be taken against our Company for certain alleged violations under the Factories Act, 1948 at our Gurgaon Facility II, and requiring us to submit a compliance report in this regard. While we have submitted the compliance report and have not received any further notice or other communication from the Chief Inspector of Factories, Chandigarh, there can be no assurance we will not be subject to any further action by such authority.

In addition, as we expand into newer geographical markets, we may be required to comply with various environmental and health and safety laws and regulations within such jurisdictions. Further, any change in or expansion of the scope of the regulations governing our environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other additional costs to address environmental incidents or external threats. Our inability to control the costs involved in complying with these and other relevant laws and regulations could have an adverse effect on our business, financial condition, results of operations and cash flows.

19. Any change in the pre-qualification criteria of Power Utilities or Governmental Agencies for sale and distribution of our products or changes in the specifications issued by accreditation agencies may have a material adverse effect on our business and results of operations.

We believe that our pre-qualified status with Power Utilities and various Governmental Agencies has significantly contributed to enhancing the customer acceptance for our products. We primarily supply meters to Power Utilities and several of our products to Governmental Agencies, including meters, LED tubes and lamps, CFLs, indoor and



outdoor luminaires, moulded case circuit breakers (“MCCBs”), mini circuit breakers (“MCBs”) and electrical switches, amongst others. Our pre-qualified status with these entities is for fixed number of products sold to them. There can be no assurance that we will continue to be selected by such entities in a subsequent bid or for a subsequent project. Further, it may happen that the pre-qualification criteria prescribed by any Governmental Agency or Power Utility may change and we may not qualify for a bid or project pursuant to the revised criteria. A loss of our pre-qualified status with any of the Power Utilities or Governmental Agencies may have a material adverse impact on our reputation, revenues, results of operations and financial condition.

Additionally, product accreditation agencies such as the Bureau of Indian Standards (“BIS”), may from time to time, change or modify the prescribed specifications for electrical equipment, non-compliance with which may result in cancelation of the BIS certificate granted to us, stoppage of sales and production shutdowns. Any such cancelation of quality certificates or stoppage of sales will have a negative impact on our business, results of operations and financial condition.

20. *Conflicts of interest may arise out of common business objects shared by our Company with our corporate Promoters and Group Companies.*

Our corporate Promoters and our certain of our Group Companies are authorized to carry out, or engage in business that are common with the objects and business carried on by our Company. As a result, conflicts of interests may arise in allocating business opportunities between our Company, our Corporate Promoters and our Group Companies in circumstances where our respective interests diverge. In cases of conflict, our individual Promoter, who will continue to retain majority shareholding in our Company (directly and indirectly), subsequent to the Issue, may favor other companies in which our individual Promoter has interests. While our Company has entered into non-compete agreements, each dated February 18, 2016 with our corporate Promoters, Havell’s Private Limited, HIL and HEPL and our Group Companies, HPL Projects Portfolio Private Limited, JIPL and LK-HPL Private Limited pursuant to which, they have agreed not to compete with the interests of the Company, including in relation to not carrying on the business of manufacturing of metering solutions, switchgears, lighting equipment and wires and cables (i) for a period of three years from the signing of such agreement or (ii) until such time that the relevant corporate Promoter or Group Company coming under the control and management of our individual Promoter, Mr. Lalit Seth and/or his associates and nominees, whichever occurs earlier, there can be no assurance that our Promoters or our Group Companies or members of our Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

21. *Certain of our Promoters and Directors have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits and we have entered and may continue to enter into related party transactions with such Promoters, Directors and/or other related parties.*

Certain of our Promoters and Directors may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares.

While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favourable than if the transaction had been conducted on an arms-length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise. For more information on our related party transactions, see “**Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions**” on page 270 prepared in accordance with Accounting Standard -18 (“AS 18”).

Additionally, we have in the course of our business entered into, and will continue to enter into, transactions with related parties. Certain of the key related party transactions entered into by us include properties taken on lease from our Promoters and Directors, sale and supply agreements entered into with our corporate Promoters and Himachal Energy, our Group Company. The aggregate amount of rent paid to our Promoter and Directors, as on



March 31, 2015 and September 30, 2015 was ₹ 10.80 million and ₹ 5.40 million, respectively, and aggregate transaction value under various sales and supply contracts with Himachal Energy as on March 31, 2015 was ₹ 1.65 million. Our Company also purchased fixed assets from HEPL, aggregate transaction value for which was ₹ 34.40 million during fiscal 2015 and from Himachal Energy, aggregate transaction value for which was ₹ 117.78 million during the six months ended September 30, 2015. Our Company also paid a long term advance of ₹ 130.84 million in respect of supply of design services obtained from and the aggregate transaction value was ₹ 180 million and ₹ 480 million during the six months ended September 30, 2015 and fiscal 2015, respectively in respect of certain services rendered to, HIL, our corporate Promoter and further, pursuant to a business transfer agreement with HIL, our Company assigned trade receivables amounting to ₹ 347.20 million to HIL, during the six months ended September 30, 2015. Additionally, we are also required to pay rent amounting to ₹ 0.90 million per annum, pursuant to a lease agreement with our Whole-time Director, Mr. Vinod Ratan and his immediate relative, in respect of premises taken on lease by our Company.

While we believe that all of our related party transactions have been executed at an arm's length basis and are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to the interests of our Company. For more details, see ***“Financials Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions”*** on page 270. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

Further, the Companies Act, 2013 has brought into effect certain significant changes providing for stringent compliance requirements for related party transactions. Further, SEBI has recently notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (***“SEBI Listing Regulations”***) and issued the revised listing agreement, which are effective from December 1, 2015. Pursuant to the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company is, *inter alia*, required to obtain prior approval of all our uninterested shareholders through an ordinary resolution for all future material related party transactions where any person or entity that is related to our Company will be required to abstain from voting on such resolution. We may face difficulties in entering into related party transactions in future due to these new requirements which may adversely affect our business, results of operations and cash flows.

For further details on the agreements entered into with our Promoters, Directors and Group Companies, see ***“History and Certain Corporate Matters”***, ***“Our Management”*** and ***“Promoters and Group Companies”*** on pages 148, 155 and 169, respectively.

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

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

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labor dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.



23. *An inability to manage our growth and further expand into new markets could disrupt our business and reduce our profitability.*

We have experienced growth in recent years and expect our business to continue to grow as we expand into global markets and gain greater access to financial resources. We have been able to increase our total consolidated revenue from fiscal 2011 to fiscal 2015 at a compounded annual growth rate (“CAGR”) of 16.68%. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

- acquiring new customers;
- identifying customer requirements and preferences in such markets;
- obtaining approvals and certifications for our products in such jurisdictions;
- making accurate assessments of the resources we will require;
- preserving a uniform culture, values and work environment across our projects;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

Our consolidated profit after tax for the six months ended September 30, 2015 and for fiscal 2015, 2014 and 2013 was ₹ 163.48 million, ₹ 346.24 million, ₹ 283.71 million and ₹ 314.18 million, respectively. Any inability to manage the above factors may have a material adverse effect on our business, financial condition, results of operations and cash flows and may further cause our profits to decline.

24. *Geographical concentration of our manufacturing facilities may adversely affect our operations, business and financial condition.*

We manufacture and supply our products to customers in different geographies within and outside India from our facilities located in northern India, primarily in the state of Haryana and through one manufacturing facility located at Himachal Pradesh. Since, our entire revenue is currently from products manufactured at our manufacturing facilities located in Haryana and Himachal Pradesh, any disruption to our manufacturing facilities may result in production shutdowns. For instance, there have been communal agitations in various parts of Haryana in February 2016, due to which there was significant loss to infrastructure, shutdown of business and industry and damage to property in Haryana. Additionally, if our manufacturing facilities in Haryana or Himachal Pradesh are harmed or rendered inoperable by natural or man-made disasters, including earthquakes, fire, floods, acts of terrorism and power outages, it may render it difficult or impossible for us to efficiently operate our business for some period of time which may adversely affect our business, financial condition, result of operations and cash flows.

Further, we do not own any trucks or commercial vehicles and typically use third-party logistic providers for all of our product distribution and as a result incur considerable expenditure on transportation of our products. Our customers rely significantly on timely deliveries of our products and any delays in the delivery of a product can lead to our customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such product.

25. *Any infringement of third party intellectual property rights or failure to protect our intellectual property rights may adversely affect our business.*

Our Company undertakes regular updation and modification of our offerings to keep abreast with prevalent technology. Given the nature of our products, we cannot assure you that our products do not or will not inadvertently infringe valid third party intellectual property rights, which may expose us to expensive legal proceedings. Our competitors and other companies or innovators may try to assert patent and other intellectual property rights against us. For instance, Havells India Limited and its promoters have initiated legal proceedings against us and our Promoters alleging infringement of their trademark ‘Havell’s’ by use of the word in the corporate names of our corporate Promoters.



If we are unsuccessful in defending ourselves against claims in relation to use of our intellectual property, we may be subject to injunctions preventing us from selling our products, resulting in a decrease in revenues, or to damages which may be substantial. Either event would adversely affect our financial position, results of operations and liquidity. Further, we do not register any of the designs developed by us under the Designs Act, 2000, nor do we obtain patent registrations for any of our products. As such, it would be difficult for us to enforce our intellectual property rights in any of these designs or products, in the event our competitors or other companies in the electric equipment industry copy our designs or develop and market products manufactured using the same or similar technology as our electric equipment. If our competitors are successful in copying our designs or technology used in our products, our sales may decrease and our revenues, results of operations and financial condition will be negatively impacted. Further, if we fail to protect our intellectual property, including our trademarks and trade secrets, our business and financial condition may be adversely affected.

26. Increases in interest rates may materially impact our results of operations.

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. Further, any future indebtedness that we undertake may also carry interest at floating rates. We are exposed to interest rate risk in respect of indebtedness for which we have not entered into any swap or interest rate hedging transactions, although we may decide to engage in such transactions in the future. However, such transactions may not be at commercially reasonable terms and such agreements may not protect us fully against such interest rate risk. We may further be unable to pass any increase in interest expense to our existing and/or future customers, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

27. A downgrade in our credit rating could adversely affect our ability to raise capital in the future.

The terms of certain of our financing agreements require us to obtain a credit rating from an independent agency. Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. For fiscal 2015, our finance cost was ₹ 699.27 million. In March 2015, we received credit ratings of IND A-/Stable/IND A1 with stable outlook for our working capital facilities and IND A-/Stable with stable outlook for our long term loan facilities from India Ratings and Research. The interest rates of our certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, results of operations and prospects.

28. Following a scheme of demerger and conversion of optionally convertible debentures, Himachal Energy will become our subsidiary. Therefore, our historical financial statements may not provide a meaningful basis for evaluating our results of operations and financial condition.

Following the implementation of a scheme of demerger filed by our Group Companies, Himachal Energy Private Limited ("**Himachal Energy**") and HPL Project Portfolio Private Limited, before the High Court of Himachal Pradesh ("**Scheme of Demerger**"), and the conversion of the 15,000,000 optionally convertible debentures of Himachal Energy that we hold, we will hold 97.15% of the equity share capital of Himachal Energy. Accordingly, Himachal Energy will become our Subsidiary. For further details of the Scheme of Demerger, see "**History and Certain Corporate Matters**" on page 148. As Himachal Energy will become our subsidiary, pursuant to the conversion of the optionally convertible debentures of Himachal Energy and subsequent to the implementation of the Scheme of Demerger, which has not been effected as on the date of this Draft Red Herring Prospectus, the financial statements for fiscal 2015 do not give effect to such corporate actions and the operations of our Himachal Energy as our subsidiary. While, we have prepared and included proforma financial statements for fiscal 2015 and for the six months ended September 30, 2015, the financial statements for fiscal 2014 or any historical periods are not comparable with the financial statements for fiscal 2015. Therefore, you will need to make your own assessment of our consolidated results of operations and financial condition. For further information, see "**Financial Statements – Proforma Financial Statements**" on page 276.

29. Our insurance coverage may not adequately protect us against all material hazards.

Our Company has covered itself against certain risks. Our significant insurance policies consist of fire and special perils insurance with add on cover for earthquakes and in certain cases, terrorism, for our manufacturing facilities, machinery and other equipment and products that we manufacture. We also maintain insurance against theft and burglary for our stocks in trade and goods held in trust. Additionally, we maintain marine cargo insurance to cover



various risks related to transit of or products anywhere in the country. We also maintain a group accident policy for our employees and group medical policies for our employees and their families. While we believe that the insurance coverage that we maintain is in accordance with industry custom, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected.

30. *This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan.*

This Draft Red Herring Prospectus includes information that is derived from an industry report dated February 2016 titled “*Indian Power Sector Overview and Market Landscape for Select Electrical Equipments*”, prepared by Frost & Sullivan, a research house, pursuant to an engagement with the Company. We commissioned this report for the purpose of confirming our understanding of the electric equipment industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Issue has verified the information in the commissioned report. Frost & Sullivan has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (“**Information**”), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan’s assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Frost & Sullivan has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the Frost & Sullivan Report. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Herring Prospectus, when making their investment decisions.

31. *Our contingent liabilities as stated in our Restated Consolidated Financial Statements could adversely affect our financial condition.*

Set forth below are the contingent liabilities not provided for, as on September 30, 2015, as disclosed in our Restated Consolidated Financial Statements in accordance with applicable accounting standards.

(₹ in million)		
Sl. No.	Contingent Liabilities and Commitments	Amount
1.	Demand liabilities with service tax authorities (refer to note below)	16.01
2.	Demand liabilities under Haryana VAT authorities (refer to note below)	9.21
3.	Demand liabilities under central excise authorities (refer to note below)	7.22
	Total	32.44

Note:

These are the cases where dues are pending with taxation and other authorities as on balance sheet dates which have not been deposited on account of disputes. Based on the favorable decisions in similar cases and discussions with the solicitors, the Company does not expect any liability against these matters, hence no provision has been considered in the books of accounts. Besides these dues, show cause notices from the various departments have been received by the Company, had not been treated as contingent liabilities since the Company has represented to the concerned departments and does not expect any liability on this account.

In the event, that any of these contingent liabilities or a significant proportion of these contingent liabilities materialize, our future financial condition, result of operations and cash flows may be adversely affected.

For details, see “*Financial Statements – Annexure 5 – Notes on Consolidated Financial Information*” on page 239.

32. *We had negative cash flows from our investing activities during fiscal 2015, fiscal 2014, fiscal 2013, fiscal 2012 and fiscal 2011 and from our financing activities during fiscal 2015, fiscal 2014 and fiscal 2013, on*



a consolidated basis.

We have sustained negative net cash flow from our investing activities during the six months ended September 30, 2015 and in fiscals 2015, 2014, 2013, 2012 and 2011 (largely due to purchase of fixed assets), on a consolidated basis and negative cash flows from our financing activities in fiscal 2014, 2013 and 2011 (largely due to repayment of long term borrowings and interest on long term and short term borrowings), on a consolidated basis.

(in ₹ million)

Particulars	For the six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net cash flows used in investing activities	(883.53)	(391.05)	(493.18)	(329.04)	(453.02)	(772.73)
Net cash flows generated/ (used in) from financing activities	497.01	201.40	(23.94)	(244.24)	786.61	(2.63)

Any such negative cash flows in the future could adversely affect our business, financial condition and results of operations. For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 287 and 181.

33. Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised. Further, our management will have discretion in the application of the Net Proceeds, and there is no assurance that the Objects of the Issue will be achieved within the time frame expected or at all.

We intend to use the Net Proceeds for the purposes described under “*Objects of the Issue*” on page 84. The Objects of the Issue include repayment/prepayment of certain loans amounting to ₹ 1,300.00 million, , funding working capital requirements amounting to ₹ 2,427.90 million and general corporate purposes. Our funding requirements and the deployment of the Net Proceeds are based on management estimates for which we have relied on internal assumptions and such assumptions have not been appraised by any independent agency. Further, the borrowings proposed to repaid/prepaid out of the Net Proceeds, also include certain loans taken from State Bank of India and ICICI Bank Limited, associates/affiliates of the BRLMs. Accordingly, the Net Proceeds may be used to repay/prepay such term and/or working capital loans. While we believe that utilization of Net Proceeds for repayment of loans would help us to reduce our cost of debt and enable the utilization of our internal accruals for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company. Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within the time frame or as per the schedule of deployment that we currently estimate. In the case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by means available to us, including internal accruals and additional equity and/or debt arrangements.

Further, while our management is required to temporarily invest the Net Proceeds, pending utilisation, with Scheduled Commercial Banks listed in Schedule II of the Reserve Bank of India Act, 1934, as amended, there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary investments.

34. Our corporate Promoters and substantially all of our Group Companies have incurred losses in previous financial years.

Our corporate Promoters and substantially all of our Group Companies have incurred losses in the previous financial years, as set forth below:

(₹ in million)

Name of Group Company	Profit/(Loss) in Fiscal 2015	Profit/(Loss) in Fiscal 2014	Profit/(Loss) in Fiscal 2013
Corporate Promoters			
Havell’s Private Limited	(1.13)	0.34	0.20
HPL India Limited	0.44	(1.21)	0.17
Havell’s Electronics Private	0.39	(33.46)	0.69



Limited			
Group Companies			
Amarex Private Limited	(0.06)	-	-
HPL Power Corporation Limited	(Negligible)	(0.15)	(0.14)
Jesons Impex Private Limited	(0.66)	(0.17)	0.14
LK HPL Private Limited	(Negligible)	(Negligible)	(Negligible)

There can be no assurance that these companies, or any other companies promoted by our Promoters and included as a Group Company under relevant accounting standards, will not incur losses in the future, or that there will not be any adverse effect on our reputation or business as a result of such losses.

- 35. *Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in our Company after the Issue, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group will always act in the best interests of the Company or you.***

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and the members of our Promoter Group. Upon completion of the Issue, our Promoters and members of our Promoter Group will own [●] Equity Shares, or [●]% of our post-Issue Equity Share capital, assuming full subscription of the Issue. Accordingly, our Promoters and members of our Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may result in certain transactions becoming more difficult or impossible to undertake without the support of these shareholders. The interests of our Promoters and Promoter Group as the Company's controlling shareholders could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that our Promoters and the members of our Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

- 36. *Certain documents in relation to educational qualifications and experience for certain of our Directors and Key Managerial Persons are not available.***

Certain supporting documentation for details required to be stated under brief profiles of Directors and KMPs of our Company in "**Our Management**" on page 155, including in respect of educational qualifications and work experience for certain Directors and our KMPs, could not be made available to our Company, despite due enquiries with such Directors and KMPs. With respect to such information, we have relied on certain indirect sources, including annual reports of companies with which such Directors or KMPs have been associated in the past or other public sources for certain such information.

- 37. *We are currently availing certain benefits pursuant to notifications issued under the Central Excise Act, 1944, as amended ("Central Excise Act") which are subject to policies and decisions of the Central Excise authorities. The loss of these tax benefits may result in reduced margins and may have an adverse effect on our business, results of operations and financial condition.***

We have claimed a 10 year tax exemption pursuant to notifications 49/2003-CE and 50/2003-CE, issued under the Central Excise Act ("**Central Excise Notifications**"), in respect of our manufacturing facility situated at Jabli (Himachal Pradesh). Pursuant to these notifications, specified goods cleared from units situated in the state of Himachal Pradesh are exempted from the entire amount of excise duty on such goods. These benefits have resulted in significantly lower excise liabilities on products manufactured at our Jabli Facility. However, we may not be able to claim these excise benefits under the Central Excise Notifications in the future, as these excise benefits can only be claimed for a period of 10 years from the date of publication of the Central Excise Notifications or the date of commercial production, whichever later. Accordingly, this exemption for our manufacturing facility will expire in April 2016. The unavailability of this excise exemption for products manufactured at our facility at Jabli (Himachal Pradesh) could result in increased tax liabilities and have an adverse effect on our business, results of operations and financial condition.

- 38. *Our Registered and Corporate Office and certain other locations used by us as warehouses are situated***



on leased premises.

Our Registered and Corporate Office, situated at 1/21, Asaf Ali Road, New Delhi 110 002, India, is occupied by us pursuant to a license agreement dated May 28, 1992, with Havell's Private Limited, our Promoter. The license agreement is valid until mutually terminated by the parties to such license agreement, and may be terminated by either party on giving notice in advance of three months to the other party. Additionally, we take on lease, premises for warehousing purposes and for establishing our branch offices.

There can be no assurance that we will be able to continue to occupy the said premises in the future on commercially acceptable terms. If any of these lease or license agreements is terminated for any reason or not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition and results of operations.

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

Our Company has declared and paid dividend at the rate of 1% on the Equity Shares during the each of fiscals 2015, 2014 and 2013. For details, see "***Dividend Policy***" on page 180. However, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends in future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

40. Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have implemented various information technology ("IT") and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. While the ERP solutions that we have implemented have enabled us to improve our working capital cycles, despite an increase in our sales over the period, we can provide no assurance that we will be able to do so in the future.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, in all our facilities. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

External Risk Factors

Risk Related to India

41. Slowdown in sectors where we are present, such as the power sector or the real estate sector, and any adverse changes in the conditions affecting these markets can adversely impact our business, results of operations, financial condition and cash flows.

Our business is dependent to a significant extent on the performance and growth of the sectors where we are present, particularly the power sector, particularly the transmission and distribution industry, and the real estate sector. The electric equipment we manufacture are utilised in domestic, commercial and industrial applications for regulating and transmitting electricity within such premises and for measuring electricity consumption. Further, we manufacture electrical equipment, which use electricity as their primary energy source. However, in the event the power sector experiences any setbacks, on account of various factors, including lack of adequate availability of coal for power generation, which will have an adverse effect on the power transmission and



distribution industry, our business, results of operations, cash flows and growth may be adversely affected.

Additionally, our single largest category of customers are Power Utilities. For fiscal 2015, fiscal 2014 and fiscal 2013, our sale to Power Utilities contributed to 31.81%, 38.80% and 38.85%, respectively, of our net consolidated revenue from operations for such periods. Any continued deterioration in the financial health of these Power Utilities may adversely affect business and our ability to recover outstanding dues from such Power Utilities, and may significantly impact our results of operations and financial condition and reduce our profitability.

We also derive a significant portion of our revenues through sale of our products to real estate developers in the industrial, residential and commercial segments, and to such extent, our business is dependent on the performance of the real estate sector. Real estate projects typically have long gestation periods and our ability to successfully capture the opportunity provided by this sector depends heavily on the rate at which such projects are completed. While current industrial trends suggest an upward trend in real estate development, particularly pursuant to various GoI initiatives such as establishment of Smart Cities, amongst others, there can be no assurance that such projects will be completed within expected timelines or at all. In the event of significant delays in completion of real estate development projects or generally a downturn in the real estate sector due to any reason, demand for our products may decline and to that extent, our profits, cash flows and financial condition will be negatively impacted.

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

The following external risks may have an adverse impact on our business, financial condition, results of operations and cash flows, should any of them materialize:

- increase in interest rates may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- the Indian economy has had sustained periods of high inflation in the recent past. High rates of inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage, to the extent that we are unable to pass on increased employee costs by increasing cost of our products and services;
- a downgrade of India's sovereign rating by international credit rating agencies may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- a decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely impact our financial condition;
- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in India; and
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets, which may impact our business, financial condition, results of operations and cash flows.

43. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Further, our failure to successfully transition to IndAS may have an adverse effect on the price of our Equity Shares.*

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements under U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*” on page 11. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

India has decided to adopt the convergence of its existing accounting standards with the Indian Accounting Standards (“**IndAS**”) and not the IFRS, as announced by the Ministry of Corporate Affairs, Government of India (“**MCA**”), through a press release dated January 22, 2010. The MCA has issued the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, which came into force on April 1, 2015, pursuant to



which the IndAS shall be mandatorily applicable to companies (except banking companies, insurance companies and non-banking financial companies) effective from (i) the accounting periods beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for all companies with a net worth of ₹ 5,000 million or more; and (ii) the accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to be listed companies (i.e. whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India) with a net worth less than ₹ 5,000 million and unlisted companies with a net worth between ₹ 2,500 million and ₹ 5,000 million. Consequently, these requirements may be applicable to us with effect from April 1, 2017. These requirements would also apply to any holding, subsidiary, joint venture or associate companies of such aforementioned companies.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP, IndAS and IFRS as applied to its financial statements. There can be no assurance that the adoption of IndAS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IndAS may have an adverse effect on the trading price of our Equity Shares.

Moreover, our transition to IndAS reporting may be hampered by increasing competition and increased costs for the relatively small number of IndAS experienced accounting personnel available as more Indian companies begin to prepare financial statements under IndAS. Any of these factors relating to the use of IndAS may adversely affect our financial condition.

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

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

Our Company is subject to extensive regulation in India relating to conducting our operations, labor laws, fire safety regulations and safety, health and environmental laws and regulations, including the handling, discharge and disposal of hazardous wastes, and the regulations have been increasingly stringent in recent years. Further, we may be required to comply with increasing standards of quality to meet the conditions of the quality certifications that we obtain for our products, within India and in the international markets where we intend to start selling our products. To comply with these requirements, we may have to incur significant operating costs and/or capital expenditure in the future.

Further, uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

Moreover, if it is determined by any judicial, quasi-judicial, regulatory or other authority that we are or have been in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures, and our business, financial positions, results of operations or cash flows could be adversely affected.

45. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, wages, raw materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our business, results of operations and financial condition may be adversely affected.

46. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.



The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including continued volatility in global financial markets due to the economic slowdown in China and the increase in the federal interest rates by the United States Federal Reserve, could also have a negative impact on the Indian financial markets and economy.

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

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

48. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

49. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

Risks Related to the Equity Shares

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any



time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

51. *You will not be able to immediately sell any of the Equity Shares you purchase in this Issue on the Stock Exchanges.*

Under the SEBI ICDR Regulations, we are required to obtain listing and trading approvals for our Equity Shares Allotted pursuant to this Issue within six Working Days of the Bid/Issue Closing Date, or such other timeline as may be prescribed by the SEBI. Consequently, the Equity Shares you purchase in the Issue may not be credited to your book or dematerialized account with the Depository Participants until six Working Days after the Bid/Issue Closing Date or such other timeline as may be prescribed by the SEBI. You can start trading in the Equity Shares only after they have been credited to your dematerialized account and listing and trading permissions are received from the Stock Exchanges.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Issue Price*” on page 91 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

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

Pursuant to the provisions of the SEBI ICDR Regulations and other regulations and guidelines prescribed by the SEBI, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares Bid for or the price) at any stage after submitting a Bid and are required to pay the Bid Amount at the time of submission of the Bid.

Events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Bid by QIBs and Non-Institutional Investors and Allotment of the Equity Shares. Our Company may choose to complete the Allotment of the Equity Shares pursuant to the Issue despite the occurrence of one or more such events, and QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids in such or any other situation, once they have submitted their Bid.

54. *Any future issuance of Equity Shares, or convertible securities, including options under the ESOS 2016 or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities, including options under the ESOS 2016 or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

55. *Future sales of Equity Shares by our Promoters and significant shareholders may adversely affect the market price of the Equity Shares.*



After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Sales of a large number of the Equity Shares by our Promoters and/or significant shareholders could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 70, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares

Prominent Notes:

- Initial public offering of up to [●] equity shares of face value of ₹ 10 each, of our Company, for cash at an Issue Price of ₹ [●] per equity share (including share premium of ₹ [●] per equity share) aggregating up to ₹ 4,500 million. In terms of Rule 19(2)(b)(i) of the SCRR the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price.
- The consolidated net asset value per Equity Share as on September 30, 2015, on a pre-Bonus basis is ₹ 180.14 and ₹ 72.06, on a post-Bonus basis, and unconsolidated net asset value per Equity Share, on a pre-Bonus basis is ₹ 180.71 and ₹ 72.29 on a post-Bonus basis.
- The consolidated net worth of our Company as on September 30, 2015 is ₹ 3,345.48 million and unconsolidated net worth of our Company is ₹ 3,356.14 million.
- Details of the average cost of acquisition per Equity Share by our Promoters as on the date of this Draft Red Herring Prospectus are set forth hereunder.

Promoter	Number of Equity Shares Held	Average Cost of Acquisition (₹)#
Mr. Lalit Seth	7,703,098	9.61
Havell’s Private Limited	2,842,655	10.73
HPL India Limited	11,738,238	25.21
Havell’s Electronics Private Limited	11,652,130	19.02

As certified by Sahni Mehra & Co., Chartered Accountants, pursuant to certificate dated February 24, 2016.

- Other than the change in name of our Company on account of its conversion to a public company, there has been no change of name of our Company at any time during the last three years immediately preceding the date of filing Draft Red Herring Prospectus.
- There has been no financing arrangement whereby the Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the ordinary course of the business of the financing entity during the six months preceding the date



of this Draft Red Herring Prospectus.

- For details of transactions by our Company with our Group Companies on an standalone basis, including the nature and cumulative value of the transactions, see “***Financial Statements – Annexure 31 – Restated Standalone Statement of Related Party Transactions***” on page 224.

The investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Offer. All grievances other than the grievances of Anchor Investors may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

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



SECTION III – INTRODUCTION SUMMARY OF INDUSTRY

The information in this section is primarily derived from the report titled “Indian Power Sector Overview and Market Landscape for Select Electrical Equipment” dated February, 2016 that has been prepared Frost & Sullivan Report and other various publicly available sources, governmental publications and other industry sources. The information in this section has not been independently verified by us, the BRLMs or their respective legal, financial or any other advisors, and no representation is made as to the accuracy of 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 and accordingly, investment decisions should not be based on such information. Industry sources and publications may also base their information and estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

*Investors should note that this is only a summary of the industry that we operate in and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Prospectus, including the information in the sections “**Risk Factors**”, “**Industry Overview**”, “**Our Business**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 14, 99, 127, 181 and 287, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section “**Risk Factors**” on page 14.*

Overview of the Indian Economy

India is the world’s fourth largest economy, with a population of 1.2 billion people. As per the CIA World Factbook, economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, which began in the early 1990s served to accelerate the country’s growth. (Source: CIA World Factbook)

The GDP accelerated in fiscal 2015, rising by 7.3% on top of a growth of 6.9% in fiscal 2014. (Source: RBI Annual Report)

For the fiscal 2016, the forecast for real GDP growth rate in India is estimated to be 7.9%. (Source: World Bank Database and Global Economic Prospects, January 2016)

For the Indian economy, the outlook for growth is improving gradually. Business confidence remains robust, and as the initiatives announced in the union budget to boost investment in infrastructure roll out, they should crowd in private investment and revive consumer sentiment, especially as inflation ebbs. (Source: RBI Annual Report)

Overview of the Global Economy

The world GDP stood at USD 109.3 trillion as of 2014 and the per capita GDP stood at USD 16, 400. Service sector contributed 62.5% of the total world GDP, followed by industry and agriculture contributing 31.0% and 6.6% respectively as of 2014. The world industrial production growth rate surged at a rate of 3.6% during the corresponding period. (Source: CIA World Factbook)

According to the International Monetary Fund, the global growth remains moderate. Although country-specific shocks and developments play a role, the persistently modest pace of recovery in advanced economies and the fifth consecutive year of growth declines in emerging markets suggest that medium-term and long-term common forces are also importantly at play. Global factors and country-specific developments points to a weaker recovery in 2016 and to higher downside risks. Growth in advanced economies are expected to increase modestly in 2016. (Source: World Economic Outlook)

Overview of the power sector in India

The Indian Power sector has witnessed a considerable change and evolution in the last two decades owing to several policy and regulatory measures. Further, continuous growth in population and increasing urbanization and



industrialization have constantly added to the electricity demand in India, with 300 million of existing population yet to receive electricity connections and the remaining one billion population having intermittent access to electricity. Programmes such as rural electrification and ‘Power for All’ have been accelerating power generation capacities and further, helping in building effective systems for demand-side management to ensure overall efficiency improvements across generation, transmission and distribution.

In September 2015, the total installed capacity for power generation in India was 278,734 MW, of which the states contributed 96,455 MW or 34.6%, and the central government and the private sector contributed 74,171 MW 26.6% and 108,108 MW or 38.8%, respectively.

Demand for power in India

India’s energy demand is expected to grow by 132% by 2035 and is likely to surpass China in the energy demand growth and double the aggregate demand of non-OECD countries. The primary growth drivers for rapid expansion in India’s energy demand include growth in population, rising per capita energy consumption levels and investments in industrial and infrastructure development.

Supply of power in India

The country’s installed capacity has been growing and almost doubled during the past decade and tripled between 1991 and 2012, boosted by the substantial contribution from the private sector. During fiscal 2015, 22,566 MW of generation capacity was added to the existing installed capacity and is expected to scale up to 266 GW by the end of fiscal 2017 and further increase to 366 GW and 516 GW by fiscal 2022 and fiscal 2027, respectively.

Towards this objective, the Government of India has taken various initiatives, brief details of which are set forth below.

- Increased focus on renewable energy
- Smart grid initiatives
- Rural electrification
- Financial revival of state distribution companies
- Promoting public private partnerships in the distribution system

However, the power sector in India continues to face several challenges, including:

- Aggregate technical and commercial losses (“AT&C Losses”);
- Power theft and pilferage;
- High dependency on coal as part of India’s fuel mix for power generation; and
- Political interference and lack of proper corporate governance in Power Utilities.

Overview of the Indian power transmission and distribution sector

The increased focus on power generation has resulted in relatively lesser investment in the transmission and distribution sector.

While India has adequate power generation capacity, there is significant power deficit primarily due to inadequate transmission and distribution infrastructure and high AT&C Losses and power thefts. Several measures are being undertaken to curb these losses, such as investing in new and advanced technologies like 1200, 765 and 400 kV transmission lines, planning new smart grids and establishment of a national grid by Power Grid Corporation of India Limited as of 2014. These steps have further helped efficient and effective use of power by transferring electricity from power surplus areas to power deficit ones.

Continuous reforms have been undertaken to reduce AT&C Losses to 15% levels through investments in automation and smart metering. Further, peak power and energy deficit has been decreased significantly over the last few years primarily due to low power demand coupled with improved power generation in India. Additionally, the financial restructuring plans of the Government of India announced in September, 2013 are expected to improve the financial condition of the state power distribution companies that have been affected by poor financial health and corporate mismanagement for years.

Overview of the electrical equipment industry

The Indian electrical equipment industry is immensely diversified, comprising manufacturing capabilities for high technology equipment on one hand, to low technology electrical components. The electrical equipment industry contributes 9.9% in value to the entire Indian manufacturing sector, translating to 1.4% of India's GDP. The Indian electrical equipment industry is estimated to grow at a CAGR of 8–12% during 2016–2020, varying across electrical equipment. Low tension (“LT”) electrical equipment such as switchgears, energy meters and wires and cables are expected to witness a faster growth in comparison to generation equipment. Further, the generation equipment segment is targeted to reach a size of ₹ 125,000 crore and the transmission and distribution equipment (“T&D Equipment”) segment is targeted to reach a size of ₹ 375,000 crore by 2022.

The Indian electrical equipment industry comprises power generation equipment and T&D Equipment. The power generation equipment includes boilers, turbines and generators, whereas T&D Equipment includes transformers, switchgears, transmission towers, wires and cables, energy meters and other equipment such as capacitors, instrument transformers and surge arrestors. T&D Equipment is further classified into high tension (“HT”) and LT electrical equipment. LV electrical equipment include LV switchgears such as air circuit breakers, moulded case circuit breakers (“MCCB”), changeover switches; LV control gear such as contactors, relays and capacitors; energy meters for household electricity metering purposes, panel meters for industrial metering purposes and utility meters; LT wires and cables used as part of industrial and commercial wiring; building wires and flexible wires used as part of residential wiring; lighting products such as compact fluorescent lamps (“CFL”), LED lamps, incandescent lamps; and residential and commercial protection devices such as miniature circuit breakers (“MCB”) and residual current device.

Key demand drivers for the electrical equipment industry

- Establishment of smart cities and real estate growth
- Affordable housing
- Open markets favouring a competitive landscape
- Capacity addition and investments in the power sector
- Modernization drives and new technology adoption
- Indian Electrical Equipment Industry Mission Plan 2012-2022

Key challenges faced by the electrical equipment industry

The electrical equipment industry, however, continues to face severe credit shortages, enormous delays, and non-adherence of payment terms by customers, primarily power utilities, resulting in severe cash flow problems across the industry. Further, the depreciating Rupee has made imports of critical raw materials and inputs for electric equipment manufacture more expensive. Moreover, due to the continued threat from imports of electrical equipment in the Indian market, domestic manufacturers have been forced to absorb this additional cost to remain competitive. Domestic manufacturers have in the past offered stiff competition from imports, particularly from China in the area of power plant equipment, engineering, procurement and construction services and substation contracts, including in areas of power generation turbomachinery, HT switchgear, MCBs and lighting products.

T&D Equipment industry

T&D Equipment contributes to approximately 72% of the entire market for electrical equipment in India. While, the Indian T&D Equipment industry is highly fragmented comprising primarily of small and medium enterprises, the industry is dominated by select domestic and multinational participants. Further, India is unable to cater to the domestic or global demand for T&D Equipment, resulting in significant volume of imports. Additionally, India has a significant presence of unorganized market players across its electrical equipment industry value chain, characterized by low/sub-standard market offerings, grey market interests and regional presence, due to the absence of stringent industry regulations and certifications. Unorganized market players have been particularly prominent in the LT electrical equipment segments such as domestic wires, LT switchgears, and lighting products. However, the growing awareness on safety and product standards continues to contribute to a decline in their market share.

Electricity Energy Meters



Electricity energy meter is a device that measures the amount of electric energy consumed by a residence, business, or an electrically-powered device.

Market overview

The market for meters in India was estimated to be ₹ 3,000 crore in fiscal 2015, with organised participants contributing to over 80% of the total market. There has been a continued and visible shift from demand for traditional meters to demand for metering solutions, which helps in energy management as compared to mere monitoring and billing functionalities. Demand for electronic meters dominates the market for meters and will continue due to replacement market for electrochemical and old meters and orders from power utilities. In fiscal 2015, the industrial segment was the largest consumer of panel meters, power generation companies for tri-vector meters and commercial establishments for electronic meters. With increasing focus on reliability and accuracy, the contribution from these segments is likely to witness an upward trend.

Historic trends and future estimates

During 2016-2020, the overall market for electricity meters is expected to grow at a CAGR of 11.5%, with prepayment meters expected to grow more than the overall growth rate, at a CAGR of 15.1%, and smart meters expected to grow at a CAGR of 5.3%. However, the market for meters is expected to witness explosive growth subsequent to 2022, when the proposed civil works for smart cities and smart grids will near completion, paving way for a robust demand for smart meters. Particularly smart meters are expected to see a double digit growth once bottle-necks surrounding the smart grid projects are cleared.

Research and development

Companies usually spend 3-4% of their revenues on research and development and such activities in the recent times include providing a 100% tamper-proof solution, authentic data acquisition and monitoring to provide energy management solutions, standard communication protocol for multivendor interaction, implementation of internet of things platform for meters, integration of smart home with smart meters and automation and control of equipment through meters.

Cost structure

Raw material constitutes 62%, manpower cost 3% including electricity, power and fuel charges, cost of repairs to machinery, expenditure on research and development and other miscellaneous expenses of the entire cost of manufacturing electricity meters, although this ratio may vary from company to company, based on the consumption mix of indigenous and imported raw materials. While costs may increase, there are instances when manufacturers and suppliers are forced to reduce the prices of meters on account of competition. This is resulting in manufacturers transforming into metering solution providers to increase margins.

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Acceptance of Technology	High	High
Cost and price pressure	High	Medium
Threat from imports in the tariff meter segment	Medium	Low

Market growth drivers

- Government initiatives such as the Deen Dayal Upadhaya Gram Jyoti Yojna and Integrated Power Development Scheme and UDAY. The scope of work under these initiatives includes rural electrification, monitoring of distribution transformers, setting up new grid and substations and setting up metering infrastructure.



- “Make in India” campaign and growth in renewables

Competition

The key participants in the market for meters are our Company, Secure Meters Limited, Genus Power Infrastructures Limited, Larsen & Toubro Limited and Landis+Gyr, contributing to approximately 79% of the market for meters in India. Our Company was the market leader with a 20% share in the market for meters in India, followed by Genus Power Infrastructures Limited with 19% market share, in fiscal 2015. The threat from imports persists primarily in the tariff meter segment, where state power utilities opt for the lowest bidder.

LV Switchgears

Switchgear is defined as an assembly of switching and interrupting devices, providing control, metering, protection, and current regulating applications.

Market overview

The LV switchgear market for fiscal 2015 was estimated to be ₹ 5,650 crore, and witnessed a moderate growth of 3.8% over the previous fiscal. The market is dominated by multinational companies that have domestic manufacturing capacities. Imports, particularly those from China and Korea, are less prevalent in this industry.

The market for low margin LV switchgear products, such as switching devices and distribution boards, is largely unorganized, comprising several local and regional participants as these products are not technologically intense products. The LV switchgear market primarily depends on the growth of end-user segments.

Historic trends and future estimates

The market for LV switchgear is expected to grow at a CAGR of 6.1% during 2016-2020 and is expected to reach ₹ 7,609 crore by 2020. Growth in this market has been restricted on account of factors including unfavourable market sentiments, fueled by uncertain economic conditions, general industry slowdown, muted investment cycle and slowdown in investments across infrastructure projects and projects involving power utilities. Market players catering to the industrial segment have expanded their product portfolio to include modular switchgear devices increasing their reach to capture the residential market. Further, manufacturers of wires and cables continue to enter the market for modular switchgear devices enabled by sales and distribution synergies.

Research and development

Innovation in switchgears is primarily in terms of the aesthetics and customized features offered by the products rather than technological changes in the product, such as improving the product life cycle, tamper-proofing, increasing safety and handling, improving user-interface and focus on multi-functionality and niche functionality. Multinational companies and established manufacturers usually spend more on product improvement and the frequency of updating product features is usually two to three years.

Cost structure

Raw material constitutes around 70% of the aggregate cost of production of LV switchgears and copper, steel and silver are the key raw materials used therein, constituting almost 75% of the total raw material cost. Manufacturing cost includes factory expenses, power and fuel, repair and maintenance.

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Low budget allocation for electrical equipment during project planning	Low	Medium



Increasing Pricing Pressures Due to High Competition	Medium	High
Uncertainty and delays in implementation of various power reform programs / initiatives	Medium	Medium

Key growth drivers

- Revival of the industrial segment
- Growth in the residential segment
- Government initiatives and reforms for expansion and development of the transmission and distribution network and power capacity augmentation
- Increased demand from the renewable energy segment

Competition

Significant market players include Larsen & Toubro Limited, Schneider Electric and ABB Limited, which have a presence across all consumer segments. In comparison, Siemens AG has a strong presence in the industrial segment and among power utilities relatively low prominence in the residential segment. Participants such as Havell's India Limited, Legrand India Private Limited and Anchor Electricals Private Limited have a presence primarily in the residential and commercial segments.

At nearly 50% share of the entire market for changeover switches, our Company is one of the oldest manufacturers of LV switchgear in India. Our Company enjoys significant brand recall and customer loyalty and have increased our presence across other switchgear products in the industrial and residential segments.

Lighting- LED (Light Emitting Diode)

LED is a two-lead semiconductor light source, which emits light when activated. This effect is called electroluminescence and the colour of the light is determined by the energy band gap of the semiconductor.

Market Overview

The global LED lighting market is expected to cross revenues of ₹ 150,000 crores in fiscal year 2015 with a market penetration of over 30% in the overall general lighting market space. The global LED lighting market is likely to grow at a CAGR of over 40% until 2020.

Due to the low domestic manufacturing capabilities, over 75% of LED lighting products are imported and the remaining 25% accounts for low value-add assembly activity. More than 10% of the LED lights assembled in India are exported to countries like Europe, the United States, Australia, Asia-Pacific, the Middle East, Latin America and South Africa.

Historical trends and future estimates

The GDP in India is forecasted to be 7.62% between 2016 and 2020, driving economic growth and improving spending capacity of consumers. The growing interest in newer technologies and solutions, increasing awareness created by LED suppliers through product promotion and advertising is expected to increase adoption of LEDs.

The Indian LED lighting market is expected to reach ₹ 31,010 crores in 2020, growing at a CAGR of 62% between 2016 and 2020. The Government of India's increased interest in converting existing street lights into LED is expected to increase demand for LEDs in coming years and the deteriorating power situation across the country and limited budget allocation for starting power projects have directed the Government's focus towards 'energy conservation and efficiency'.

Cost Structure

The top three core components, (a) LED chip, (b) drivers and (c) optics, are imported from China, Korea, and Taiwan. Raw material constitutes around 45% of the total cost of production of LED lamps. The driver costs



another 10-15%, taking the total component cost to 63%. Manufacturing cost includes factory expenses, power and fuel, repair and maintenance. The margin, which varies presently between 25% and 28%, varies among lighting companies. With the enforcement of standards in India, the differential in margins is expected to decrease.

Key industry challenges and their impact on market dynamics

- Lack of economies of scale hinders local manufacturing
- High initial investment and prevailing economic condition
- Uncertainty and delays in implementation of various programs / initiatives announced till date
- Regulatory framework

Competition

With over 350 participants comprising OEMs, traders, assemblers and importers, operating in the market, the Indian LED lighting market is highly fragmented and competitive in nature. With growing demand the prices of LED lighting products have been declining over the last two years, thus companies such as Philips, Wipro, Havells, Bajaj and our Company are focusing on LED lighting products to cater to the growing demand. The range of contract manufacturing varies between 50% and 100%. Market consolidation has already started with Wipro Enterprises acquiring Vignani Solutions Private Limited in March 2014.

Lighting CFL

Compact fluorescent lamps (“CFLs”) generally use a tube, which is curved or folded to fit into the space of an incandescent bulb and compact electronic ballast in the base of the lamp. CFLs use one-fifth to one-third the electric power and last eight to 15 times longer than incandescent lamps. CFLs are available in wattages ranging from 5 W to 83 W in the Indian market.

Market Overview

The CFL market in India was estimated at ₹ 3,500 crores during fiscal 2015. The market witnessed a growth to the rate of approximately 6% as compared to fiscal 2014. A widespread increase in adoption of LED across various lighting applications has brought down growth prospects of CFLs in India, they are preferred over incandescent lamps. India has over 60 domestic companies operating in the CFL market, with organized participants accounting for 45% of the market, and the unorganized segment dominates with 55%. Over 80% of the CFLs manufactured in India are locally consumed and the rest are exported to countries like the Philippines, Indonesia, Vietnam, Sri Lanka and Malaysia. India is the second largest consumer of CFLs and also has the second largest capacity in the world.

Historical trends and future estimates

It may be forecasted that the increasing penetration of LED among urban centers and in high-end retrofit markets demand having an adverse impact on the long-term growth potential of CFL in India. The increasing real estate and construction development in country, which act as demand centers for CFL and penetration of CFL as a retrofit option, especially in the rural regions of the country, have a positive effect on the growth of the industry. Further, macro and socio-economic factors like increasing GDP, increasing cost of power, awareness about need to reduce power consumption, availability of products, and ease of usage are considered while projecting the growth of CFL market in India.

Research and development

Technology advances in recent times have been aimed at reducing the mercury content in the CFLs in order facilitate easier end of life disposal. The average mercury content in CFLs has fallen by at least 20% in the last one year. Some manufacturers have made further reductions, dropping mercury content to 1.4-2.5 milligrams.

Cost Structure

Manufacturing cost and other overheads constitute roughly 40% of the total cost of CFLs. Suppliers earn a margin of around 10%, while many domestic participants earn less than 10%. Most established companies on an average



spend 4-5% of their top line on marketing and promotional expenses. Several small-scale Indian firms spend less than 3% on marketing activities as they cover small geographies.

Key industry challenges and their impact on market dynamics

- Increasing market share of LEDs challenging the growth of CFLs
- Low quality imports from China a stiff challenge for domestic suppliers
- Stricter regulations for quantity of mercury, as well as for proper end of life disposal for CFLs

Market Growth Drivers

Growth Drivers and their Impact on Market Dynamics:

Growth Drivers	1-2 Years	3-5 Years
Government support for wide spread installation of CFL and initiatives to phase-out incandescent lamps	High	Medium
Growing electricity cost prompting adoption of CFL across rural and urban areas	High	High
Ease of installation and retrofitting options driving the growth	Medium	Medium

Competition

Competitors in the Indian CFL market adhere to two different business models. Firstly, companies like Philips Lighting, Orbit, Surya Roshini, HPL, etc. have manufacturing capabilities. While other major participants like Bajaj Electricals and Crompton Greaves engage other vendors to manufacture for them.

Since major CFL manufacturers have their indigenous manufacturing plants in India, there is negligible need for imports. Only about 4.6% of the total market demand is catered through imports.

Electrical Wires & Cables

Electrical wires and cables are conductors used in electrical networks for transfer of electricity. These find application in large scale electricity grids in the form of cross-country transmission lines as well as a variety of indoor / outdoor applications. While electrical wires and cables come in a variety of configurations, the typical size and configuration of the electrical wire / cable is dependent on the power rating required for the application with usage spanning across low tension and high tension (11 kilo-Volts and above).

Market Overview

The overall electrical wires and cables market in India is estimated to be ₹ 180,000 million in fiscal year 2015. The low tension electrical wires and cables are estimated to account for a majority share of this market at nearly 70%. The estimated 30% of the overall ₹ 126,000 million low tension electrical wires and cables market during fiscal 2015 is accounted by the unorganized and regional market players.

The key market restraints to growth of the industry in the past years included a) unfavourable market sentiments, b) uncertain economy, c) industry slowdown, d) muted investment cycle and e) slowdown in investments across infrastructure and utility projects.

Historical trends and future estimates

The low tension electrical wires and cables market is expected to grow at CAGR of 4.4% and is expected to reach ₹ 156,000 million by 2020. The LT electrical wires and cables market in India is primarily driven by growth of the end-user segments i.e. real estate including residential and commercial, industries, utilities, and infrastructure.



The LT electrical wires and cables market has been witnessing a staggered growth over the last two years due to unfavorable market sentiments, muted investments, and weak macroeconomic environment. The market is expected to have moderate growth rate for next two years and after the year 2017, the growth is expected to kick-off with fresh investments and improved macroeconomic performance.

Research and development

The innovation is in the area of effective insulation materials that result in better performance of wires and cables along with safety related enhancements in case of fire hazards for the most part of the low tension electrical wires and cables industry. In this direction, halogen free polyolefin insulation is found to have flame resistance that is significantly higher than that of traditional PVC.

Most of the major manufacturers have classified their products into different categories like premium, mid-premium, and economy which effect quality, durability and reliability.

Cost Structure

Raw material constitutes around 75% of the total cost of manufacturing for the low tension electrical wires and cables industry. The key raw materials that constitute almost three-fourth of the total raw material cost include copper, aluminium, polyvinyl chloride (“PVC”) and di-sec-octylphthalate (“DOP”), steel wires and strips. The manufacturing cost includes factory expenses, power and fuel, repair and maintenance, etc.

Key industry challenges and their impact on market dynamics

- Competition intensity in the Industry and prominence of unorganized players
- Pressure on margins and raw material price fluctuation risk
- Uncertainty and delays in implementation of various reforms, programs / initiatives

Market Growth Drivers

- Revival of industrial segment
- Growth in the residential segment
- Government initiatives and reforms for expansion and development of T&D network and power capacity augmentation
- Increased demand from the renewable energy segment

Competition

The industry with its frequent innovations in new product features and quality products has graduated from being dominated by unorganized sector players to the branded and quality players with national reputes since it has undergone a few changes. The organized sector has been manufacturing high tension and specialty cables along with low tension domestic wires whereas the unorganized players limit themselves to the voluminous low tension domestic wires market. The market is ruled by unfair trade practices, where small cable companies compete by selling products of dubious quality at low prices.



SUMMARY OF BUSINESS

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections “**Risk Factors**” “**Industry Overview**”, “**Our Business**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 14, 99, 127, 181 and 287, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “**Risk Factors**” on page 14.*

We are an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and institutional customers in the electrical equipment industry. We had the largest market share in the market for electricity energy meters in India in fiscal 2015, with one of the widest portfolios of meters in India and the fifth largest market share for LED lamps during the corresponding period (*Source: Frost & Sullivan Report*). Our manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence. We currently manufacture and sell our products under the umbrella brand ‘HPL’, which has been registered in India since 1975.

We supply our products through a network of authorized dealers or distributors to institutional, non-institutional and corporate customers. We supply switchgears, lighting equipment and wires and cables, primarily through our pan-India authorized dealer network, which comprised of over 2,000 authorized dealers or distributors as on December 31, 2015, from our warehouses located in 21 states and union territories in India that are managed by our carrying and forwarding agents. Our authorized dealers or distributors further sell our products to over 12,000 retailers in India. In addition, we supply our products to Power Utilities, which primarily includes supply of meters under direct contractual arrangements to electricity boards and power distribution companies, as well as through project contractors. Further, we supply our portfolio of products to developers of residential and commercial building projects, original equipment manufacturers (“**OEMs**”) and to industrial customers through a mix of direct sales and supply through our authorized dealer network. Our sales and marketing activities are managed through over 90 branch offices and representative offices in India as on December 31, 2015.

We believe that our research and development capabilities have enabled us to keep abreast of technological developments in the electric equipment industry. We have a strong focus on consistently upgrading the technology that is used in our products and the processes used in manufacturing thereof, through our continuing research and development efforts. We have established two in-house research and development centres, one each at Kundli (Haryana) (the “**Kundli R&D Centre**”) and Gurgaon (Haryana) (the “**Gurgaon R&D Centre**”, and together with Kundli R&D Centre, the “**R&D Centres**”). Our research and development efforts include design and development of all types of energy metering solutions, including interactive communication between metering devices and metering infrastructure that includes automatic meter reading (“**AMR**”) and advanced metering infrastructure (“**AMI**”), prepayment metering solutions, solar net metering solutions, smart meters with two way communication and a complete range DLMS compliant meters, amongst others, and technologies and solutions that allow for active monitoring of energy consumption for electric equipment. For instance, we have developed a street lighting system that helps in saving manpower through automatic settings for sunset and sunrise timings and remote energy metering and dimming of such lights during off-peak hours to save energy. For details in relation to our research and development efforts, see “- **Research and Development**” below.

We also operate two tool rooms at Gurgaon (Haryana) and Kundli (Haryana), within our R&D Centres (“**Tool Rooms**”), where we have in-house component designing and tool designing facilities. As on December 31, 2015, we employed over 105 engineers at our R&D Centres, with a dedicated team of engineers to manage our Tool Rooms. Our Tool Rooms are used for making rapid prototypes, followed by tools that are used to ensure efficient moulding. The data for our Tool Rooms is generated using computer-aided design (“**CAD**”) software and computer numerical control (“**CNC**”) machines that assist in maintaining accuracy of the tools produced therein. We believe that our Tool Rooms allow us to easily adapt to changes in technology or modified specifications given by Power Utilities and/or institutional customers.

We currently own and operate six manufacturing facilities located across the states of Haryana and Himachal Pradesh, having in-house testing capabilities. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements. Further, certain of our products are



also certified to be compliant with various national and international quality standards, including the ISI mark issued by the BIS, the CE mark and KEMA certification for conformity with requisite European quality standards.

Our Company is promoted by Mr. Lalit Seth, Havell's Electronics Private Limited ("**HEPL**"), HPL India Limited ("**HIL**") and Havell's Private Limited. Havell's Private Limited was incorporated in 1956. Mr. Lalit Seth has over 40 years of experience in the industry and has built long standing relationships with customers. While we were incorporated in 1992 as 'HPL-Socomec Private Limited', a joint venture between Socomec S.A., France and HEPL, our Promoter, for manufacture of load changeover switches and allied electronic accessories, we expanded our business to commence manufacture of metering solutions and wires and cables. We further merged with HPTL, pursuant to the HPTL Scheme of Amalgamation consequent to which, we acquired the lighting equipment business. For further details on the HPTL Scheme of Amalgamation, see "**History and Certain Corporate Matters**" on page 148.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 our total consolidated revenue was ₹ 5,508.29 million, ₹ 10,518.54 million, ₹ 10,160.42 million and ₹ 9,157.43 million, respectively. Further, our EBITDA for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 686.57 million, ₹ 1,300.80 million, ₹ 1,102.25 million and ₹ 1,147.59 million, respectively, on a consolidated basis. We have been able to increase our consolidated revenue at a compounded annual growth rate of 16.68% from fiscal 2011 until fiscal 2015.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated revenue from sale of metering solutions was ₹ 2,655.67 million, ₹ 5,027.62 million, ₹ 5,266.14 million and ₹ 4,898.36 million, respectively, from sale of switchgears was ₹ 1,040.77 million, ₹ 2,462.30 million, ₹ 2,438.15 million and ₹ 2,069.99 million, respectively, from sale of lighting equipment was ₹ 1,483.83 million, ₹ 2,589.26 million, ₹ 1,785.33 million and ₹ 1,626.06 million, respectively, and from sale of wires and cables was ₹ 887.81 million, ₹ 1,492.99 million, ₹ 1,692.70 million and ₹ 1,407.94 million, respectively. Further, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our revenue from railway electrification projects undertaken was ₹ 9.73 million, ₹ 20.15 million, ₹ 37.55 million and ₹ 81.97 million, respectively.

Our Strengths

We believe that our competitive strengths include the following:

- Established brand in the electric equipment industry
- Large product portfolio
- Robust manufacturing facilities with a focus on technology upgradation
- Pan-India sales and distribution network
- Established relationship with institutional customers and strong pre-qualification credentials
- Experienced management team and skilled workforce

Our Strategies

The key components of our competitive and growth strategy are as follow :

- Expand our product range with focus on value added products
- Reduce our working capital cycle and focus on rationalizing our indebtedness
- Expand our business and capture growth opportunities
- Increase our geographical reach and expansion of addressable market
- Strengthen customer base with focus on increasing customer spend on our products
- Continue to enhance our brand through innovative and focused marketing initiatives

For further details, see "**Our Business**" on page 127.



SUMMARY FINANCIAL INFORMATION

Set forth are the summary standalone financial statements derived from our Restated Standalone Financial Statements for and as of the six months ended September 30, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011 and the consolidated financial statements derived from our Restated Consolidated Financial Statements for and as of the six months ended September 30, 2015 and March 31, 2015, 2014, 2013, 2012 and 2011. These financial statements have been prepared in accordance with the Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and are presented in “**Financial Information**” on page 181. The summary standalone and consolidated financial statements presented below should be read in conjunction with such Restated Financial Statements, the notes and annexures thereto and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 287.

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(INR in Million)

	Particulars	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	Equity & Liabilities						
	Shareholder's Funds						
	Share Capital	185.72	185.72	185.72	185.72	179.80	179.80
	Reserves & Surplus	3,170.42	3,002.25	2,921.39	2,635.73	2,233.77	1,950.39
2	Non Current Liabilities						
	Long Term Borrowings	831.59	953.67	670.99	510.89	824.20	569.64
	Deferred Tax Liabilities (Net)	197.67	185.28	160.17	133.81	106.60	70.51
	Other Long Term Liabilities	182.31	172.17	165.79	155.65	76.72	58.45
	Long Term Provisions	26.74	15.97	13.47	11.55	11.89	5.44
3	Current Liabilities						
	Short Term Borrowings	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01
	Trade Payables	2,835.90	2,435.36	1,935.00	2,065.76	1,469.70	1,024.67
	Other Current Liabilities	526.68	403.72	506.19	456.36	418.95	336.87
	Short Term Provisions	121.08	164.48	142.44	145.55	125.71	166.72
	TOTAL	13,026.30	11,417.30	9,857.00	9,071.08	7,678.04	5,660.50
4	Non Current Assets						
	Fixed Assets						
	Tangible Assets	3,348.61	3,067.95	2,771.28	2,130.02	1,746.62	1,268.67
	Intangible Assets	-	-	-	1.20	-	-
	Capital Work in Progress	12.99	-	290.34	527.14	657.39	720.92
	Non Current Investments	540.00	150.67	150.67	150.67	150.67	150.67
	Long Term Loans & Advances	148.86	13.60	14.86	11.44	13.92	14.95
5	Current Assets						
	Inventories	2,858.08	3,061.94	2,536.54	2,612.63	2,107.39	1,380.69
	Trade Receivables	5,062.31	4,009.79	3,281.62	2,680.98	2,168.88	1,444.98
	Cash & Cash Equivalents	534.07	544.18	464.00	524.23	472.03	297.36
	Short Term Loan and Advances	514.18	558.22	335.12	424.87	354.57	378.31
	Other Current Assets	7.20	10.95	12.57	7.90	6.57	3.95
	TOTAL	13,026.30	11,417.30	9,857.00	9,071.08	7,678.04	5,660.50



RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Million)

Particulars		Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Revenue:						
	Revenue From Operations	5,475.75	10,451.12	10,071.90	9,032.41	7,157.35	5,659.41
	Other Income	22.68	47.20	50.87	43.03	31.20	15.62
	Total Revenue	5,498.43	10,498.32	10,122.77	9,075.44	7,188.55	5,675.03
B	Expenses:						
	Cost of Material Consumed	3,405.38	7,431.18	7,290.63	6,736.99	5,500.04	4,136.98
	Change in Inventories of Finished Goods & Work in Progress	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)
	Employee Benefit Expenses	404.43	664.64	554.95	503.51	459.42	338.03
	Finance Costs	377.30	699.26	590.36	617.07	412.85	209.99
	Depreciation Expenses	89.67	162.02	132.88	113.49	66.94	51.14
	Other Expenses	670.71	1,389.33	1,278.54	992.75	875.86	734.60
	Total Expenses	5,274.14	10,060.63	9,741.97	8,658.46	6,805.12	5,201.84
C	Restated Profit Before Extraordinary Items and Tax (A-B)	224.29	437.69	380.80	416.98	383.43	473.19
D	Add / Less : Extraordinary Items	-	-	-	-	-	-
E	Restated Profit Before Tax (C-D)	224.29	437.69	380.80	416.98	383.43	473.19
F	Tax Expense / (Income)						
	Current Tax	47.87	92.00	79.82	84.22	78.39	95.98
	Deferred Tax	12.39	25.11	26.36	27.21	36.09	10.94
	Less: MAT Credit Entitlement	(4.14)	(23.85)	(13.22)	(8.59)	(18.61)	(6.26)
	Total Tax Expenses	56.12	93.26	92.96	102.84	95.87	100.66
G	Restated Profit After Tax	168.17	344.43	287.84	314.14	287.56	372.53



RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES						
Profit Before Tax	224.29	437.69	380.80	416.98	383.43	473.19
Adjustments to Reconcile Profit Before Tax to Net Cash Flows						
Depreciation & Amortisation Expenses	89.67	162.02	132.88	113.49	66.94	51.14
Loss / (Profit) on sale On fixed assets (net)	-	0.12	1.47	0.67	3.61	0.28
Interest Income	(19.96)	(38.74)	(40.87)	(39.80)	(30.54)	(14.02)
Interest Expense	377.30	699.26	590.36	617.07	412.85	209.99
Operating profit before working capital changes	671.30	1,260.35	1,064.64	1,108.41	836.29	720.58
Movement in Working Capital						
Decrease/(Increase) in Trade receivables	(1,052.52)	(728.17)	(600.64)	(512.10)	(723.90)	352.29
Decrease/(Increase) in Security Deposits	(4.42)	1.26	(6.98)	2.77	(0.39)	(1.27)
Decrease/(Increase) in Short Term Advances	(41.76)	(170.78)	93.04	(50.46)	29.41	(106.55)
Decrease/(Increase) in Other Current Assets	3.75	1.62	(4.67)	(1.33)	(2.62)	57.14
Decrease/(Increase) in Inventories	203.86	(525.40)	76.09	(505.24)	(726.70)	(531.05)
Increase / (Decrease) in Short Term Provision	0.73	9.80	1.27	16.03	3.75	19.67
Increase / (Decrease) in Trade Receipts / Securities	10.14	6.38	10.14	78.93	18.27	24.97
Increase / (Decrease) in Long Term Provision	10.77	2.50	1.92	(0.34)	6.45	1.45
Increase / (Decrease) in Other Current Liabilities	176.08	20.20	24.80	(17.65)	38.51	29.62
Increase / (Decrease) in Trade Payables	400.54	500.36	(130.76)	596.06	445.03	386.76
Cash generated from / (used) in Operations	378.47	378.12	528.85	715.08	(75.90)	953.61
Direct Taxes Paid (net of Refunds)	(2.06)	(108.30)	(74.29)	(89.64)	(83.05)	(99.54)
Net cash flow from / (used) in Operating Activities (A)	376.41	269.82	454.56	625.44	(158.95)	854.07
B. CASH FLOW FROM INVESTING ACTIVITIES						
Capital Advances (net of Capital Creditors)	(130.84)	-	3.56	(0.29)	1.42	(2.79)
Purchase of Fixed Assets	(370.33)	(721.10)	(776.45)	(499.28)	(551.64)	(256.92)
(Increase) / Decrease in Capital Work in Progress	(12.99)	290.34	236.80	130.25	63.53	(527.30)
Proceeds from Sale of Fixed Assets	-	0.97	2.04	0.52	3.15	0.27
Purchase of Investment (net)	(389.33)	-	-	-	-	(0.01)
Interest Income Received	19.96	38.74	40.87	39.80	30.54	14.02
Net Cash Flow From / (used) in Investing Activities (B)	(883.53)	(391.05)	(493.18)	(329.00)	(453.00)	(772.73)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Working Capital Loan (Net)	1,049.51	742.84	385.78	539.36	932.69	(113.12)
Proceeds from Issue of Share Capital	-	-	-	5.92	-	60.00
Proceeds from Security Premium	-	-	-	89.98	-	-
Proceeds from Secured Long Term Loan (Net)	(175.20)	160.01	185.13	(258.25)	298.13	281.50
Interest Paid	(377.30)	(699.26)	(590.36)	(617.07)	(412.85)	(209.99)
Dividends Paid on Equity Shares	-	(1.86)	(1.86)	(3.60)	(26.97)	(17.97)
Tax on Dividends Paid on Equity Shares	-	(0.32)	(0.30)	(0.58)	(4.38)	(3.05)
Net cash flow from / (used) in Financing Activities (C)	497.01	201.41	(21.61)	(244.24)	786.62	(2.63)
Net cash Increase/ (decrease) in cash and cash equivalents (A+B+C)	(10.11)	80.18	(60.23)	52.20	174.67	78.71
Cash and cash equivalents at the beginning of the year/ period	544.18	464.00	524.23	472.03	297.36	218.65
Cash and cash equivalents at the end of the year/ period	534.07	544.18	464.00	524.23	472.03	297.36



RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(INR in Million)

	Particulars	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	Equity & Liabilities						
	Shareholder's Funds						
	Share Capital	185.72	185.72	185.72	185.72	179.80	179.80
	Reserves & Surplus	3,159.76	2,996.28	2,913.61	2,632.08	2,230.08	1,950.39
2	Non Current Liabilities						
	Long Term Borrowings	831.59	953.67	670.99	510.89	824.20	569.64
	Deferred Tax Liabilities (Net)	197.67	185.28	160.17	133.81	106.60	70.51
	Other Long Term Liabilities	183.81	175.12	171.07	163.78	82.84	58.45
	Long Term Provisions	26.74	15.97	13.47	11.55	11.89	5.44
3	Current Liabilities						
	Short Term Borrowings	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01
	Trade Payables	2,839.76	2,442.36	1,940.12	2,075.01	1,472.42	1,024.67
	Other Current Liabilities	526.82	403.83	506.28	458.35	419.05	336.87
	Short Term Provisions	121.08	164.48	142.44	145.55	125.71	166.72
	TOTAL	13,021.14	11,421.39	9,859.71	9,086.80	7,683.29	5,660.50
4	Non Current Assets						
	Fixed Assets						
	Tangible Assets	3,348.64	3,067.98	2,771.32	2,130.07	1,746.64	1,268.67
	Intangible Assets	-	-	-	1.20	-	-
	Capital Work in Progress	12.99	-	290.34	527.14	657.39	720.92
	Non Current Investments	540.00	150.67	150.67	150.67	150.67	150.67
	Long Term Loans & Advances	148.88	13.62	14.87	11.45	13.92	14.95
5	Current Assets						
	Inventories	2,874.55	3,084.17	2,602.33	2,642.10	2,112.12	1,380.69
	Trade Receivables	5,068.91	4,013.92	3,282.06	2,685.32	2,173.68	1,444.98
	Cash & Cash Equivalents	534.40	544.28	464.88	524.26	472.11	297.36
	Short Term Loan and Advances	485.50	535.33	270.46	406.45	349.55	378.31
	Other Current Assets	7.27	11.42	12.78	8.14	7.21	3.95
	TOTAL	13,021.14	11,421.39	9,859.71	9,086.80	7,683.29	5,660.50



RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A Revenue:						
Revenue From Operations	5,485.48	10,471.27	10,109.45	9,114.38	7,212.36	5,659.41
Other Income	22.81	47.27	50.97	43.05	31.20	15.62
Total Revenue	5,508.29	10,518.54	10,160.42	9,157.43	7,243.56	5,675.03
B Expenses:						
Cost of Material Consumed	3,412.03	7,433.90	7,302.22	6,779.04	5,537.37	4,136.98
Change in Inventories of Finished Goods & Work in Progress	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)
Employee Benefit Expenses	410.58	676.39	576.52	539.17	478.97	338.03
Finance Costs	377.30	699.27	592.69	617.07	412.86	209.99
Depreciation Expenses	89.67	162.03	132.89	113.50	66.94	51.14
Other Expenses	672.46	1,393.25	1,284.82	996.98	877.67	734.60
Total Expenses	5,288.69	10,079.04	9,783.75	8,740.41	6,863.82	5,201.84
C Restated Profit Before Extraordinary Items and Tax (A-B)	219.60	439.50	376.67	417.02	379.74	473.19
D Add / Less : Extraordinary Items	-	-	-	-	-	-
E Restated Profit Before Tax (C-D)	219.60	439.50	376.67	417.02	379.74	473.19
F Tax Expense / (Income)						
Current Tax	47.87	92.00	79.82	84.22	78.39	95.98
Deferred Tax	12.39	25.11	26.36	27.21	36.09	10.94
Less: MAT Credit Entitlement	(4.14)	(23.85)	(13.22)	(8.59)	(18.61)	(6.26)
Total Tax Expenses	56.12	93.26	92.96	102.84	95.87	100.66
G Restated Profit After Tax	163.48	346.24	283.71	314.18	283.87	372.53



RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES						
Profit Before Tax	219.60	439.50	376.67	417.02	379.74	473.19
Adjustments to Reconcile Profit Before Tax to Net Cash Flows						
Depreciation & Amortisation Expenses	89.67	162.03	132.89	113.50	66.94	51.14
Loss / (Profit) on sale On fixed assets (net)	-	0.12	1.47	0.67	3.61	0.28
Interest Income	(19.96)	(38.74)	(40.87)	(39.80)	(30.54)	(14.02)
Interest Expense	377.30	699.27	592.69	617.07	412.86	209.99
Operating profit before working capital changes	666.61	1,262.18	1,062.85	1,108.46	832.61	720.58
Movement in Working Capital						
Decrease/(Increase) in Trade receivables	(1,054.99)	(731.86)	(596.74)	(511.64)	(728.70)	352.29
Decrease/(Increase) in Security Deposits	(4.42)	1.25	(6.98)	2.76	(0.39)	(1.27)
Decrease/(Increase) in Short Term Advances	(35.76)	(212.84)	138.90	(35.11)	35.77	(106.55)
Decrease/(Increase) in Other Current Assets	4.15	1.36	(4.64)	(0.93)	(3.26)	57.14
Decrease/(Increase) in Inventories	209.62	(481.84)	39.77	(529.98)	(731.43)	(531.05)
Increase / (Decrease) in Short Term Provision	0.73	9.80	1.27	16.03	3.75	19.67
Increase / (Decrease) in Trade Receipts / Securities	8.69	4.05	7.29	80.94	24.39	24.97
Increase / (Decrease) in Long Term Provision	10.77	2.50	1.92	(0.34)	6.45	1.45
Increase / (Decrease) in Other Current Liabilities	176.11	20.22	22.90	(15.76)	38.61	29.62
Increase / (Decrease) in Trade Payables	397.40	502.24	(134.89)	602.59	447.75	386.76
Cash generated from / (used) in Operations	378.91	377.06	531.65	717.02	(74.45)	953.61
Direct Taxes Paid (net of Refunds)	(2.27)	(108.01)	(73.91)	(91.59)	(84.39)	(99.54)
Net cash flow from / (used) in Operating Activities (A)	376.64	269.05	457.74	625.43	(158.84)	854.07
B. CASH FLOW FROM INVESTING ACTIVITIES						
Capital Advances (net of Capital Creditors)	(130.84)	-	3.56	(0.29)	1.42	(2.79)
Purchase of Fixed Assets	(370.33)	(721.10)	(776.45)	(499.32)	(551.66)	(256.92)
(Increase) / Decrease in Capital Work in Progress	(12.99)	290.34	236.80	130.25	63.53	(527.30)
Proceeds from Sale of Fixed Assets	-	0.97	2.04	0.52	3.15	0.27
Purchase of Investment (net)	(389.33)	-	-	-	-	(0.01)
Interest Income Received	19.96	38.74	40.87	39.80	30.54	14.02
Net Cash Flow From / (used) in Investing Activities (B)	(883.53)	(391.05)	(493.18)	(329.04)	(453.02)	(772.73)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Working Capital Loan (Net)	1,049.51	742.84	385.78	539.36	932.69	(113.12)
Proceeds from Issue of Share Capital	-	-	-	5.92	-	60.00
Proceeds from Security Premium	-	-	-	89.98	-	-
Proceeds from Secured Long Term Loan (Net)	(175.20)	160.01	185.13	(258.25)	298.13	281.50
Interest Paid	(377.30)	(699.27)	(592.69)	(617.07)	(412.86)	(209.99)
Dividends Paid on Equity Shares	-	(1.86)	(1.86)	(3.60)	(26.97)	(17.97)
Tax on Dividends Paid on Equity Shares	-	(0.32)	(0.30)	(0.58)	(4.38)	(3.05)
Net cash flow from / (used) in Financing Activities (C)	497.01	201.40	(23.94)	(244.24)	786.61	(2.63)
Net cash Increase/ (decrease) in cash and cash equivalents (A+B +C)	(9.88)	79.40	(59.38)	52.15	174.75	78.71
Cash and cash equivalents at the beginning of the year/ period	544.28	464.88	524.26	472.11	297.36	218.65
Cash and cash equivalents at the end of the year/ period	534.40	544.28	464.88	524.26	472.11	297.36



THE ISSUE

The Issue	Up to [●] Equity Shares aggregating up to ₹ 4,500 million*
<i>Of which</i>	
A) QIB Category**	[●] Equity Shares
<i>Which comprises</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors, including Mutual Funds (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
B) Non-Institutional Category	Not less than [●] Equity Shares available for allocation on a proportionate basis
C) Retail Category	Not less than [●] Equity Shares available for allocation in accordance with the SEBI ICDR Regulations

Pre-Issue and post-Issue Equity Shares

Equity Shares outstanding prior to the Issue	46,429,199 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares

Use of Issue Proceeds See “**Objects of the Issue**” on page 84

* Public issue of [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ 4,500 million authorised by our Board pursuant to a resolution dated December 15, 2015, and by our Equity shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 8, 2016. Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.

** Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Issue Price. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. For further details see “**Issue Procedure**” on page 357.

Notes

- In terms of Rule 19(2)(b)(i) of the SCRR, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price.
- Allocation to QIB Category (except the Anchor Investor Portion, if any) and Non-Institutional Category shall be made on a proportionate basis and Allocation to Retail Category shall be made in accordance with



SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue price. For details, see “**Issue Procedure**” on page 357.

3. Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.
4. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, as applicable, by the Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.
5. Retail Individual Investors bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Investors bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Investors must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Investors should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Investors must mention the Bid Amount.

For details, including in relation to grounds for rejection of Bids, refer to “**Issue Structure**” and “**Issue Procedure**” on page 349 and 357, respectively. For details of the terms of the Issue, see “**Terms of the Issue**” on page 354.



GENERAL INFORMATION

Our Company was incorporated as ‘HPL-Socomec Private Limited’ on May 28, 1992, a private limited company under the Companies Act 1956, with the RoC. Pursuant to a resolution of our Board of Directors dated January 21, 2010 and a resolution of our shareholders dated February 18, 2010, the name of our Company was changed to HPL Electric & Power Private Limited and a fresh certificate of incorporation was issued upon change of name by the RoC on March 10, 2010. Further, pursuant to conversion of our Company to a public limited company, our name was changed to ‘HPL Electric & Power Limited’ and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on December 14, 2015. For further details, see “*History and Certain Corporate Matters*” on page 148. For details of our business, see “*Our Business*” on page 127.

Registered and Corporate Office

Details of our Registered and Corporate Office are set forth hereunder.

1/21, Asaf Ali Road
New Delhi 110 002
India
Tel: (+ 91 11) 2323 4411
Fax: (+ 91 11) 2323 2639
Email: hpl@hplindia.com
Website: www.hplindia.com

Company Registration Number and Corporate Identity Number

The company registration number and corporate identity number of our Company are set forth hereunder.

Details	Registration/Corporate Identity number
Company Registration Number	048945
Corporate Identity Number	U74899DL1992PLC048945

The Registrar of Companies

Our Company is registered with the RoC, details whereof are set forth hereunder.

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India
Tel: (+ 91 11) 2623 5707
Fax: (+ 91 11) 2623 5702

Board of Directors

Details regarding our Board of Directors (the “**Board**” or “**Board of Directors**” or “**Directors**”) as on the date of the filing of this Draft Red Herring Prospectus are set forth below.

Name, Designation and DIN	Age (years)	Address
Mr. Lalit Seth	69	35, Sunder Nagar, New Delhi 110 003, India
Designation: Chairman and Managing Director		
DIN: 00312007		
Mr. Rishi Seth	45	35, Sunder Nagar, New Delhi 110 003, India
Designation: Joint Managing Director		
DIN: 00203469		



Name, Designation and DIN	Age (years)	Address
Mr. Gautam Seth	44	35, Sunder Nagar, New Delhi 110 003, India
Designation: Joint Managing Director		
DIN: 00203405		
Mr. Chandra Prakash Jain	55	GH-1 OA, Orchid Garden, Suncity, Sector 54, Gurgaon 122 002, Haryana, India
Designation: Whole-time Director		
DIN: 00311643		
Mr. Vinod Ratan	57	C-32, C-Block, Ashok Vihar, Phase I, New Delhi 110 052, India
Designation: Whole-time Director and Chief Financial Officer		
DIN: 07401017		
Mr. Tarun Sehgal	69	71, Reansbury Crescent, Markham, Ontario, L6C1Y3 Canada
Designation: Non-executive, Independent Director		
DIN: 07384592		
Mr. Jatinder Singh Sabharwal	69	C-30, Sector 44, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India
Designation: Non-executive, Independent Director		
DIN: 07364399		
Ms. Madhubala Nath	62	7210, DLF City, Phase IV, Gurgaon 122 009, Haryana India
Designation: Non-executive, Independent Director		
DIN: 01320110		
Mr. Jainul Haque	69	B-2/702, PWO Housing Society, Sector 43, Gurgaon 122 002, Haryana, India
Designation: Non-executive, Independent Director		
DIN: 00004762		
Mr. Virender Kumar Bajaj	58	A 503, Mandakini Apartments, Plot 3 C, Sector 2, Dwarka 110 075, New Delhi, India
Designation: Non-executive, Independent Director		
DIN: 07401106		

For more information in respect of our Directors, see “*Our Management*” on page 155.

Company Secretary and Compliance Officer

Our Company has appointed Mr. Vivek Kumar, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

Mr. Vivek Kumar
 1/21, Asaf Ali Road
 New Delhi 110 002
 India
 Tel: (+ 91 11) 2323 4411
 Fax: (+ 91 11) 2323 2639
 Email: hplcs@hplindia.com



Bidders may contact the Company Secretary and Compliance Officer, the BRLMs, their respective SCSBs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, or unblocking of funds or issues of refund (in case of Anchor Investors).

Chief Financial Officer

Our Company has appointed Mr. Vinod Ratan, as the Chief Financial Officer. His contact details are set forth hereunder.

Mr. Vinod Ratan, Whole-time Director and Chief Financial Officer

1/21, Asaf Ali Road

New Delhi 110 002

India

Tel: (+ 91 11) 2323 4411

Fax: (+ 91 11) 2323 2639

Email: vrgupta@hplindia.com

Book Running Lead Managers

SBI Capital Markets Limited

202, Maker Tower 'E'

Cuffe Parade

Mumbai 400 005

Maharashtra, India

Tel: (+91 22) 2217 8300

Fax: (+91 22) 2218 8332

Email: hpl.ipo@sbicaps.com

Website: www.sbicaps.com

Investor Grievance E-mail: investor.relations@sbicaps.com

Contact Person: Ms. Neha Malik / Mr. Aditya Deshpande

SEBI Registration No.: INM000003531

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg

Churchgate

Mumbai 400 020

Maharashtra, India

Tel: (+91 22) 2288 2460

Fax: (+91 22) 2282 6580

Email: hpl.ipo@icicisecurities.com

Website: www.icicisecurities.com

Investor Grievance E-mail: customercare@icicisecurities.com

Contact Person: Ms. Payal Kulkarni

SEBI Registration No.: INM000011179

IDFC Bank Limited

Naman Chambers

C 32, G Block,

Bandra Kurla Complex, Bandra (East)

Mumbai 400 051

Maharashtra, India

Tel: (+91 22) 6622 2600

Fax: (+91 22) 6622 2501

Email: hpl.ipo@idfcbank.com

Website: www.idfcbank.com

Investor Grievance E-mail: mb.ig@idfcbank.com

Contact Person: Mr. Mangesh Ghogle

SEBI Registration No.: MB/INM000012250



Syndicate Members

[•]

Legal Advisors to the Issue as to Indian Law

Shardul Amarchand Mangaldas & Co

Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
India
Tel: (+91 11) 2692 0500
Fax: (+91 11) 2692 4900

Registrar to the Issue

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31-32, Gachibowli, Financial District
Nanakramguda
Hyderabad 500 032
Telangana, India
Tel: (+91 40) 6716 2222 / Fax: (+91 40) 2343 1551
E-mail: einward.ris@karvy.com
Website: www.karisma.karvy.com
Investor Grievance Email: hplep.ipo@karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the BRLMs who have submitted a due diligence certificate to the SEBI for any complaint pertaining to the Issue. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

Bankers to our Company

ICICI Bank Limited

ICICI Bank Tower, NBCC Place
Pragati Vihar, Bhishma Pitamah Marg
New Delhi 110 003
India
Tel: (+91)(11)4221 8187, 4221 8151
Fax: (+91)(11)24365231
E-mail: rishi.rajgarhia@icicibank.com/
deepak.gupta@icicibank.com
Website: <https://www.icicibank.com>
Contact Person: Mr. Rishi Rajgarhia/Mr. Deepak Gupta

Kotak Mahindra Bank Limited

1st Floor, Kotak Aerocity
Asset Area 9, Ibis Commercial Block
Hospitality District, IGI Airport
New Delhi 110 037
India
Tel: (+91) (11) 6617 6164
Fax: (+91) (11) 6608 4533
E-mail: tarun.sethi@kotak.com
Website: www.kotak.com
Contact Person: Mr. Tarun Sethi

***IndusInd Bank Limited***

3rd Floor, Building No. 10
Tower B, DLF Cyber City, Phase-II
Gurgaon 122 002, Haryana, India
Tel: (+91) (124) 474 9500
E-mail: www.indusind.com
Website: abhishekk.jha@indusind.com
Contact Person: Mr. Abhishek Jha

State Bank of India

Jawahar Vyapar Bhawah
I Tolstoy Marg
New Delhi 110 001, India
Tel: (+91) (11) 2337 4880
Fax: (+91) (11) 2331 8370
E-mail: brijendra.rathore@sbi.co.in
Website: <https://www.sbi.co.in>

IDBI Bank Limited

Indian Red Cross Society Building
1, Red Cross Road, Post Box No. 231
New Delhi 110 001, India
Tel: (+91) (11) 6628 1030/6628 1027
E-mail: raj.singh@idbi.co.in/ratna.ray@idbi.co.in
Contact person: Mr. Raj Kishore Singh/Ms. Ratna Ray

Banker to the Issue /Anchor Escrow Bank

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid cum Application Forms, refer to the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Broker Centres/Designated CDP Locations/Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs named by the respective SCSBs to receive the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statutory Auditors of our Company (“Auditors”)***Sahni Mehra & Co., Chartered Accountants***

73, Sunder Nagar
New Delhi 110 003
India
Tel: (+91) (11) 2614 2750/2614 2304
Email: rsramesh999@gmail.com
Firm Registration No.: 000609N
Peer Review No.: 008709



Our Auditor, by a certificate dated February 24 2016, have confirmed that they hold a valid peer review certificate dated December 23, 2015 issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”).

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Trustees

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

IPO Grading

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

Monitoring Agency

As the size of the Issue is less than ₹ 5,000 million, the appointment of a monitoring agency is not required. Accordingly, no monitoring agency has been appointed in respect of the Issue.

Appraisal Agency

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

Experts

Our Company has received written consent from the Auditor, Sahni Mehra & Co., Chartered Accountants, to include its name as an ‘expert’ defined under section 2(38) of the Companies Act 2013, as required under Section 26 of the Companies Act 2013 in this Draft Red Herring Prospectus in respect of the reports of the Auditors on the restated consolidated and standalone financial information, each dated December 24, 2015, and the statement of special tax benefits dated December 24, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. Further our Company has obtained a report dated February 2016 issued by Frost & Sullivan titled ‘*Indian Power Sector Overview And Market Landscape For Select Electrical Equipments*’ and has also received their consent dated February 18, 2016 in this regard.

Except as stated hereinabove, our Company has not obtained any expert opinion.

Inter se Statement of Responsibilities for the Issue

The following table sets forth the responsibilities of the BRLMs in relation to this Issue.

S. No.	Activity	Responsibility	Coordination
1	Capital structuring with relative components and formalities such as type of instruments, etc.	SBICAP, IDFC, I-Sec	SBICAP
2	Due diligence of Company’s operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalization of Prospectus.	SBICAP, IDFC, I-Sec	SBICAP
3	Drafting and approval of pre-issue statutory advertisement.	SBICAP, IDFC, I-Sec	SBICAP



S. No.	Activity	Responsibility	Coordination
	Drafting and approval of all non-statutory advertisement, approval of all publicity material including corporate advertisement, brochure, etc.		I-Sec
	Drafting and approval of post issue statutory advertisement.		IDFC
4	Appointment of Printers	SBICAP, IDFC, I-Sec	SBICAP
5	Appointment of Registrar, Anchor Escrow Bank and Advertising Agency (including co-ordinating all agreements to be entered with such parties)	SBICAP, IDFC, I-Sec	IDFC
6	Preparation of roadshow presentation and FAQs	SBICAP, IDFC, I-Sec	I-Sec
7	Domestic Institutional marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Finalizing the list and division of investors for one-to-one meetings Finalizing road show schedules and investor meeting schedules 	SBICAP, IDFC, I-Sec	I-Sec
7	International Institutional marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Finalizing the list and division of investors for one-to-one meetings Finalizing road show schedules and investor meeting schedules 	SBICAP, IDFC, I-Sec	IDFC
8	Non-institutional and Retail Marketing of the Issue, which will cover <i>inter alia</i> : <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget; Finalizing media and public relations strategy; Finalizing center for holding conferences for press and brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and Finalizing collection centres 	SBICAP, IDFC, I-Sec	I-Sec
8	Finalization of pricing in consultation with the Company	SBICAP, IDFC, I-Sec	I-Sec
10	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading	SBICAP, IDFC, I-Sec	I-Sec
11	The post-bidding activities including management of Escrow Accounts, intimation of allocation and dispatch of refunds to Bidders etc. Post Issue activities, which shall involve essential follow-up steps, which include follow-up with Bankers to the Issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalization of the basis of allotment, listing and trading of instruments, demat credit and refunds and coordination with various agencies connected with the post Issue activity such as Registrars to the Issue, Bankers to the Issue, Self Certified Syndicate Banks, regular monitoring of investor grievances for redressal and co-ordinating with SEBI and stock exchanges for refund of 1% security deposit. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.	SBICAP, IDFC, I-Sec	IDFC

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids from the Investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and the



minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in the [●] edition of [●] (a widely circulated English national daily newspaper) and the [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/ Issue Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company, in consultation with the BRLMs, in accordance with the Book Building Process, after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLMs;
- the Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- the Registrar to the Issue;
- the Registrar and Share Transfer Agents/RTAs;
- the Collecting Depository Participants/CDPs;
- the Registered Brokers;
- the Anchor Escrow Collection Bank; and
- the SCSBs.

In terms of Rule 19(2)(b)(i) of the SCRR, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price. The Issue is being made through the Book Building Process where 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds, subject to receipt of valid Bids at or above the Issue Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only subject to receipt of valid Bids at or above the Issue Price. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws.

All Investors (except Anchor Investors) can participate in this Issue only through the ASBA process.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the price) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except allocation to Retail Individual Investors and the Anchor Investors, allocation in the Issue will be on a proportionate basis. For further details, see “*Issue Structure*” and “*Issue Procedure*” on pages 349 and 357 respectively.

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

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

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue, and 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 equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer in consultation with the BRLMs will, finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22. All bids at or above this issue price and valid cut-off Bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details, see “*Issue Procedure - Who Can Bid*” on page 358).
2. Ensure that you have a dematerialized account and the dematerialized account details are correctly mentioned in the Bid cum Application Form, as applicable.
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.
6. Bidders (other than Anchor Investors) may submit their Bid cum Application Forms to the Bidding Centres of the relevant Designated Intermediaries. Ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location for the members of the Syndicate, the Broker Centre, the Designated RTA Location or the Designated CDP Location respectively, to deposit Bid cum Application Forms. Bids by Anchor Investors may be submitted only to the BRLMs.
7. Bidders (other than Anchor Investors) may submit the Bid cum Application Forms in physical mode to the Syndicate at the Specified Locations, to the Registered Brokers at the Broker Centres, to the RTAs at the Designated RTA Locations or to the CDPs at the Designated CDP Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. Bidders (other than Anchor Investors) should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the Designated Intermediaries to ensure that the Bid cum Application Form is not rejected.
8. Except in respect of Anchor Investors, bids must be submitted through the ASBA process only.
9. Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total



demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e., who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

For details see “**Issue Procedure**” on page 357.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

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

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the 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 be severally responsible in accordance with the Underwriting Agreement for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in such payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to or purchase of/purchase Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangements stated above shall only apply to the Bids (other than Anchor Investors) procured by the members of the Syndicate in this Issue. The underwriting agreement shall list out the title and obligations of each members of the Syndicate.



CAPITAL STRUCTURE

Details of the share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below.

	Aggregate value at face value (₹)	Aggregate value at Issue Price (₹)
A. Authorized Share Capital*		
70,000,000 Equity Shares of ₹ 10 each	700,000,000	-
B. Issued, Subscribed and Paid-up Share Capital prior to the Issue		
46,429,199 Equity Shares of ₹ 10 each	464,291,990	-
C. The Issue**		
[●] Equity Shares	[●]	[●]
<i>Of which:</i>		
QIB Category of [●] Equity Shares***	[●]	[●]
<i>Which comprises</i>		
(i) Anchor Investor Portion	[●]	[●]
<i>Of which</i>		
Available for allocation to Mutual Funds only	[●]	[●]
Balance for all QIBs including Mutual Funds	[●]	[●]
(ii) Balance available for allocation to QIBs other than Anchor Investors, including Mutual Funds (assuming Anchor Investor Portion is fully subscribed)	[●]	[●]
Non Institutional Category of not less than [●] Equity Shares	[●]	[●]
Retail Category of not less than [●] Equity Shares	[●]	[●]
D. Issued, Subscribed and Paid-up Share Capital after the Issue		
[●] Equity Shares	[●]	[●]
E. Share Premium Account		
Prior to the Issue		477,140,780
After the Issue		[●]

* For details in the changes of the authorized share capital of our Company, see "History and Certain Corporate Matters" on page 148.

** The Issue has been authorized by our Board of Directors pursuant to their resolution dated December 15, 2015 and by our shareholders pursuant to their resolution passed at an extraordinary general meeting held on January 8, 2016. Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.

*** Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category, consisting of [●] Equity Shares, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Issue Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For more information, see "Issue Procedure" on page 357.

Notes to Capital Structure

1. Share Capital History

The Equity Share capital history of our Company is set forth below.



Date of allotment	Number of equity shares	Face value (₹)	Issue/ Purchase Price per Equity Share (₹)	Nature of Consideration (Cash/Bonus/Other than Cash)	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
May 28, 1992	20	100	100	Cash	Subscription to the MoA ¹	2,000
December 24, 1992	5,200	100	100	Cash	Further issue ²	522,000
January 21, 1993	14,780	100	100	Cash	Further issue ³	2,000,000
September 25, 1997	Sub-division of one equity share of face value ₹ 100 each into 10 Equity Shares of ₹ 10 each. Accordingly, 20,000 equity shares of ₹ 100 were split into 200,000 Equity Shares of ₹ 10 each.					
February 18, 1998	1,000,000	10	N.A.	Bonus	Bonus Issue in the ratio of 5:1 ⁴	12,000,000
August 16, 1999	1,200,000	10	N.A.	Bonus	Bonus Issue in the ratio of 1:1 ⁵	24,000,000
November 29, 1999	1,082,352	10	49.89	Cash	Further issue ⁶	34,823,520
March 26, 2009	4,497,327	10	N.A.	Other than cash	Allotment pursuant to the scheme of amalgamation of HPL Protection Technologies Limited with our Company ("HPTL Scheme of Amalgamation"). For details, see "History and Certain Corporate Matters" on page 148. ⁷	79,796,790
July 9, 2009	4,000,000	10	95	Cash	Further issue ⁸	119,796,790
May 31, 2010	6,000,000	10	10	Cash	Further issue ⁹	179,796,790
September 12, 2012	592,000	10	162	Cash	Further issue ¹⁰	185,716,790
Issue of Equity Shares in the last two years						
November 16, 2015	27,857,520	10	N.A.	Bonus	Bonus issue in the ratio 3:2 ¹¹	464,291,990
TOTAL	46,429,199					464,291,990

¹ Subscription to 10 equity shares each by Mr. Lalit Seth and Ms. Praveen Seth was on March 31, 1992. However the Company was incorporated on May 28, 1992.

² Allotment of 5,200 equity shares to Socomec S.A., France.

³ Allotment of 5,000 equity shares to Mr. Lalit Seth, 4,000 equity shares to Ms. Praveen Seth and 5,780 equity shares to Amerex (India) Private Limited ("AIPL").

⁴ Allotment of 313,000 Equity Shares to Mr. Lalit Seth, 263,000 Equity Shares to Ms. Praveen Seth, 260,000 Equity Shares to Socomec S.A., France, 35,000 Equity Shares to AIPL, 4,000 Equity Shares to Jesons Impex Private Limited ("JIPL") and 62,500 Equity Shares, each to Mr. Rishi Seth and Mr. Gautam Seth.

⁵ Allotment of 375,600 Equity Shares to Mr. Lalit Seth, 315,600 Equity Shares to Ms. Praveen Seth, 312,000 Equity Shares to Socomec S.A., France, 42,000 Equity Shares to AIPL, 4,800 Equity Shares to JIPL and 75,000 Equity Shares to Mr. Rishi Seth and Mr. Gautam Seth, each.

⁶ Allotment of 1,082,352 Equity Shares to Socomec S.A., France.

⁷ Allotment of 1,692,217 Equity Shares to Mr. Lalit Seth, 143,220 Equity Shares to Ms. Praveen Seth, 210,038 Equity Shares, each to Mr. Rishi Seth and Mr. Gautam Seth, 895,062 Equity Shares to Havell's Private Limited, 415,900 Equity Shares to HIL and 930,852 Equity Shares to HEPL.

⁸ Allotment of 270,000 Equity Shares to Mr. Lalit Seth, 331,670 Equity Shares to Socomec S.A., France, 36,000 Equity Shares to Mr. Rishi Seth and Mr. Gautam Seth, each, 1,338,000 Equity Shares to HEPL, 1,746,330 Equity Shares to HIL and 242,000 Equity Shares to Havell's Private Limited.

⁹ Allotment of 1,750,000 Equity Shares to HEPL, 2,000,000 Equity Shares to HIL and 2,250,000 Equity Shares to Himachal Energy.

¹⁰ Allotment of 207,000 Equity Shares to HEPL and 385,000 Equity Shares to HIL.

¹¹ Allotment of 4,621,859 Equity Shares to Mr. Lalit Seth, 1,279,859 Equity Shares to Ms. Praveen Seth, 126,000 Equity Shares to AIPL, 14,400 Equity Shares to JIPL, 1,339,044 Equity Shares, each to Mr. Rishi Seth and Mr. Gautam Seth, 7,042,943 Equity Shares to HIL, 1,705,593 Equity Shares to Havell's Private Limited, 6,991,278 Equity Shares to HEPL, 22,500 Equity Shares to Mr. Chandra Prakash Jain and 3,375,000 Equity Shares to Himachal Energy by capitalizing the amount standing to the credit of the securities premium account of the Company.

As on the date of this Draft Red Herring Prospectus, the Company does not have any authorized, issued, subscribed or paid-up preference share capital.



2. Issue of shares for consideration other than cash

(a) Except as detailed below, no Equity Shares have been issued for consideration other than cash.

Date of allotment	Number of Equity Shares	Face Value (₹)	Issue Price per equity share (₹)	Nature of Consideration	Reason for allotment	Benefits accrued to our Company	Cumulative paid-up Equity Share capital (₹)
February 18, 1998	1,000,000	10	N.A.	Bonus	Bonus Issue in the ratio of 5:1	Nil	10,000,000
August 16, 1999	1,200,000	10	N.A.	Bonus	Bonus Issue in the ratio of 1:1	Nil	12,000,000
March 26, 2009	4,497,327	10	N.A.	Other than cash	Allotment pursuant to the HPTL Scheme of Amalgamation with HPL Protection Technologies Limited.*	For benefits of the Company from the HPTL Scheme of Amalgamation, see “ <i>History and Certain Corporate Matters</i> ” on page 148	44,973,270
November 16, 2015	27,857,520	10	N.A.	Bonus	Bonus Issue in the ratio 3:2	Nil	278,575,200

* For details of the HPTL Scheme of Amalgamation, see “*History and Certain Corporate Matters*” on page 148.

(b) *Issue of shares out of Revaluation Reserves*

As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves, since incorporation.

3. Issue of Equity Shares in the last one year

Our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Issue Price. However, our Company has issued three Equity Shares for every two Equity Shares held by our Shareholders, pursuant to a bonus issue on November 16, 2015 by capitalizing the amount standing to the credit of the securities premium account of the Company.

4. Employee Stock Options

Pursuant to a shareholders’ resolution and a resolution of our Board of Directors, each dated January 21, 2016, our Company has instituted the Employees Stock Option Scheme 2016 (“**ESOS 2016**”). In accordance with ESOS 2016, a maximum of 500,000 options may be granted to eligible employees. The ESOS 2016 seeks to attract, reward, motivate and retain our employees for better individual performance that is expected to contribute to the growth of the Company. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options to any eligible employees under the ESOS 2016.

Sahni Mehra & Co., Chartered Accountants, pursuant to their certificate dated February 24, 2016, have confirmed that ESOS 2016 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the SEBI ICDR Regulations.

Details pertaining to the ESOP Scheme:

Particulars	Details		
Options granted	Date of grant	No. of options granted	Price per Equity Share (₹)
	Total options granted	Nil	



Particulars	Details
Pricing formula	The exercise price of the Option shall be ₹ 10 each. The total exercise price shall be paid to the Company in cash upon exercise of the Options. No amount is payable by the grantee at the time of acceptance of grant of Option.
Vesting period	<p>The Options granted under the ESOS 2016, will vest in the following manner:</p> <ol style="list-style-type: none"> 25% of the total Options granted on the grant date, shall vest on the first anniversary of the grant date; Further 25% of the total Options granted on the grant date, shall vest on the second anniversary of the grant date; Further 25% of the total Options granted on the grant date, shall vest on the third anniversary of the grant date; Balance 25% of the total Options granted on the grant date, shall vest on the fourth anniversary of the grant date;
Options vested (excluding the options that have been exercised)	Nil
Options exercised	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil
Options forfeited/lapsed/cancelled	Nil
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force	Nil
(i) Employee wise details of options granted to Directors/Senior management personnel	N.A. (No options granted under ESOS 2016)
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	N.A. (No options granted under ESOS 2016)
Difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	N.A. (No options granted under ESOS 2016)



Particulars	Details
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price of Options granted during the year whose:
	Exercise price equals market price on the date of grant N.A.
	Exercise price is greater than market price on the date of grant N.A.
	Exercise price is less than market price on the date of grant N.A.
	Weighted average fair value of options granted during the year whose:
	Exercise price equals market price on the date of grant N.A.
	Exercise price is greater than market price on the date of grant N.A.
	Exercise price is less than market price on the date of grant N.A.
Method and significant assumptions used to estimate the fair value of options granted during the year	N.A. (No options granted under ESOS 2016)
Method used	
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	N.A. (No options granted under ESOS 2016)
Intention to sell Equity Shares arising out of the ESOP Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A. (No options granted under ESOS 2016)
Impact on the profits and on the Earnings Per Share of the last three years if the issuer had followed the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in respect of options granted in the last three years.	N.A. (No options granted under ESOS 2016)

5. Build up of our Promoters' Shareholding, Promoters' Contribution and Lock-In

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

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 33,936,121 Equity Shares, which constitutes 73.09% of the issued, subscribed and paid-up Pre-Issue Equity Share capital of our Company.

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



Date of allotment /transfer	No. of Equity Shares	Face value (₹)	Issue/Purchase /Selling Price per Equity Share (₹)	Cash/Bonus/ Other than Cash	Nature of allotment / transfer	Percentage of pre-Issue issued Equity Share Capital (%)	Percentage of post-Issue issued Equity Share Capital (%)
Mr. Lalit Seth							
May 28, 1992	10	100	100	Subscriber to MoA	Subscription to MOA	Negligible	[●]
January 21, 1993	5,000	100	100	Cash	Further issue	0.11	[●]
August 30, 1997	1,250	100	100	Cash	Transfer from AIPL	0.03	[●]
September 25, 1997	Sub-division of one equity share of face value ₹ 100 each into 10 Equity Shares of ₹ 10 each. Accordingly, 6,260 equity shares of ₹ 100 were split into 62,600 Equity Shares of ₹ 10 each.						
February 18, 1998	313,000	10	N.A.	Bonus	Bonus issue in the ratio of 5:1	0.68	[●]
August 16, 1999	375,600	10	N.A.	Bonus	Bonus issue in the ratio of 1:1	0.81	[●]
June 14, 2007	367,822	10	91.20	Cash	Acquisition from Socomec S.A., France ("Socomec")	0.79	[●]
March 26, 2009	1,692,217	10	N.A.	Consideration other than cash	Allotment pursuant to the HPTL Scheme of Amalgamation. For details, see " <i>History and Certain Corporate Matters</i> " on page 148.	3.64	[●]
July 9, 2009	270,000	10	95	Cash	Further issue	0.58	[●]
November 16, 2015	4,621,859	10	N.A.	Bonus	Bonus issue in the ratio of 3:2	9.95	[●]
Total (A)	7,703,098					16.59	[●]
Havell's Private Limited							
March 26, 2009	895,062	10	N.A.	Consideration other than cash	Allotment pursuant to the HPTL Scheme of Amalgamation. For details, see " <i>History and Certain Corporate Matters</i> " on page 148.	1.93	[●]
July 9, 2009	242,000	10	95	Cash	Further issue	0.52	[●]
November 16, 2015	1,705,593	10	N.A.	Bonus	Bonus issue in the ratio of 3:2	3.67	[●]
Total (B)	2,842,655					6.12	[●]
HPL India Limited							



Date of allotment /transfer	No. of Equity Shares	Face value (₹)	Issue/Purchase /Selling Price per Equity Share (₹)	Cash/Bonus/ Other than Cash	Nature of allotment / transfer	Percentage of pre-Issue issued Equity Share Capital (%)	Percentage of post-Issue issued Equity Share Capital (%)
June 14, 2007	598,065	10	91.20	Cash	Acquisition from Socomec	1.29	[●]
March 26, 2009	415,900	10	N.A.	Consideration other than cash	Allotment pursuant to the HPTL Scheme of Amalgamation. For details, see “ <i>History and Certain Corporate Matters</i> ” on page 148.	0.90	[●]
July 9, 2009	1,746,330	10	95	Cash	Further issue	3.76	[●]
May 31, 2010	2,000,000	10	10	Cash	Further issue	4.31	[●]
May 6, 2011	(450,000)	10	10	Cash	Transfer to HEPL	(0.97)	[●]
September 12, 2012	385,000	10	162	Cash	Further issue	0.83	[●]
November 16, 2015	7,042,943	10	N.A.	Bonus	Bonus issue in the ratio of 3:2	15.17	[●]
Total (C)	11,738,238					25.28	[●]
Havell's Electronics Private Limited							
March 26, 2009	930,852	10	N.A.	Consideration other than cash	Allotment pursuant to the HPTL Scheme of Amalgamation. For details, see “ <i>History and Certain Corporate Matters</i> ” on page 148.	2.00	[●]
July 9, 2009	1,338,000	10	95	Cash	Further issue	2.88	[●]
July 23, 2009	(15,000)	10	20	Cash	Transfer to Mr. Chandra Prakash Jain	(0.03)	[●]
May 31, 2010	1,750,000	10	10	Cash	Further issue	3.77	[●]
May 6, 2011	450,000	10	10	Cash	Transfer from HIL	0.97	[●]
September 12, 2012	207,000	10	162	Cash	Further issue	0.45	[●]
November 16, 2015	6,991,278	10	N.A.	Bonus	Bonus issue in the ratio of 3:2	15.06	[●]
Total (D)	11,652,130					25.10	[●]
Total (A+B+C+D)	33,936,121					73.09	



Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters have been financed from their personal funds or internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for such purpose.

(b) *Shareholding of our Promoters and our Promoter Group*

Set forth below is the shareholding of our Promoters and our Promoter Group, as on the date of this Draft Red Herring Prospectus.

Name of Shareholder	Pre-Issue		Post-Issue *	
	No. of Equity Shares	Percentage of issued Equity Share capital (%)	No. of Equity Shares	Percentage of issued Equity Share capital (%)
Promoters				
Mr. Lalit Seth	7,703,098	16.59	[●]	[●]
Havell's Private Limited	2,842,655	6.12	[●]	[●]
HPL India Limited	11,738,238	25.28	[●]	[●]
Havell's Electronics Private Limited	11,652,130	25.10		
Sub Total (A)	33,936,121	73.09	[●]	[●]
Promoter Group				
Ms. Praveen Seth	2,133,098	4.59	[●]	[●]
Mr. Rishi Seth	2,231,740	4.81	[●]	[●]
Mr. Gautam Seth	2,231,740	4.81	[●]	[●]
Amerex (India) Private Limited	210,000	0.45	[●]	[●]
Jesons Impex Private Limited	24,000	0.05		
Himachal Energy Private Limited**	5,625,000	12.12		
Sub Total (B)	12,455,578	26.83	[●]	[●]
Total Promoter and Promoter Group (A) + (B)	46,391,699	99.92	[●]	[●]

*Assuming full subscription in the Issue, and assuming no participation in the Issue by our Promoter and Promoter Group.

** Himachal Energy and HPL Projects Portfolio Private Limited have filed the Scheme of Demerger before the High Court of Himachal Pradesh. Subsequent to the approval and implementation of the Scheme of Demerger, our Company will convert 15,000,000 optionally convertible debentures of Himachal Energy held by us, into equity shares of Himachal Energy. Pursuant to such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy and accordingly, Himachal Energy will become our subsidiary.

As on the date of this Draft Red Herring Prospectus, except for the Equity Shares held by Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth as disclosed hereinabove, no director of our corporate Promoters holds any Equity Shares in our Company.

(c) *Details of Promoter's Contribution Locked-in for Three Years*

Pursuant to the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment. All Equity Shares held by our Promoters are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI ICDR Regulations.

Accordingly, pursuant to the SEBI ICDR Regulations, Equity Shares aggregating 20% of the post Issue capital of our Company, held by our Promoters shall be locked-in for a period of three years from the date of Allotment in the Issue as follows:

Name of Promoter	Number of Equity Shares locked-in as part of Promoter's Contribution	Face Value (₹)	Percentage of pre-Issue Capital	Percentage of post-Issue Capital
[●]	[●]	10	[●]	[●]
[●]	[●]	10	[●]	[●]
Total	[●]	10	[●]	[●]

Note: To be incorporated upon finalization of the Issue Price

For details on build-up of Equity Shares held by our Promoters, see “– *Build-up of our Promoters*”



shareholding in our Company” on page 74.

Our Promoters have given their consent for the inclusion of the Equity Shares held by them as part of Promoter’s contribution subject to lock-in and the Equity Shares proposed to form part of Promoters’ contribution subject to lock-in shall not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing this Draft Red Herring Prospectus with the SEBI until the date of commencement of the lock-in period.

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as ‘promoters’ under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoters’ contribution under Regulation 33 of the SEBI ICDR Regulations. In this respect, we confirm the following:

- i. the Equity Shares offered for minimum Promoters’ contribution have not been acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, nor have resulted from a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoter’s contribution;
- ii. the minimum Promoters’ contribution does not include any Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- iii. our Company has not been formed by the conversion of a partnership firm into a company and thus no Equity Shares have been issued to our Promoters in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm;
- iv. the Equity Shares held by our Promoters and offered for minimum Promoters’ contribution are not subject to any pledge; and
- v. all the Equity Shares of our Company held by the Promoters and the Promoter Group shall be held in dematerialized form prior to the date of filing of the Red Herring Prospectus in relation to this Issue, with the RoC.

(d) *Details of Equity Shares Locked-in for One Year*

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters’ contribution for three years from the date of Allotment, the entire pre-Issue Equity Share capital of our Company, comprising [●] Equity Shares, shall be locked-in for a period of one year from the date of Allotment.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors*

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

(f) *Other requirements in respect of lock-in*

Pursuant to Regulation 39 of the SEBI ICDR Regulations, locked-in Equity Shares for one year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters’ contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are



locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “**Takeover Regulations**”).

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred to and among the members of our Promoter Group or 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 Takeover Regulations.



6. Shareholding Pattern of our Company

The shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus is set forth below.

Category (I)	Category of the Shareholder (II)	No. of Shareholder s (III)	No. of fully paid up equity shares held (IV)	No. of party paid-up equity shares held (V)	No. of shares underlyin g Depositor y Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlyin g Outstandi ng convertibl e securities (including Warrants) (X)	Sharehold ing as a % assuming full conversion of convertibl e securities (as a % 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 dematerial ized from (XIV)
								No. of Voting Rights		Total as a % of total voting rights	No. . (a)			As a % total shares held (b)	No. (a)	As a % total shares held (b)		
								Class eg: X	Class eg: Y									
																	Total	
(A)	Promoter & Promoter Group	10	46,391,699	0	0	46,391,699	99.92	46,391,699	N.A.	46,391,699	99.92	0	99.92	0	0	0	0	0
(B)	Public	1	37,500	0	0	37,500	0.08	37,500	N.A.	37,500	0.08	0	0.08	0	0	0	0	0
(C)	Non Promoter- Non Public	0	0	0	0	0	0	0	N.A.	0	0	0	0	0	0	0	0	0
(1)	Shares underlying Custodian/Deposi tory Receipts	0	0	0	0	0	0	0	N.A.	0	0	0	0	0	0	0	0	0
(2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	N.A.	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	11	46,429,199	0	0	46,429,199	100.00	46,429,199	N.A.	46,429,199	100.00	0	100.00	0	0	0	0	



7. The BRLMs and their associates do not hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
8. The 10 largest shareholders of our Company, and the respective number of Equity Shares held by them as on the date of filing, 10 days prior to the date of filing, and two years prior to the date of filing of this Draft Red Herring Prospectus, are set forth below.
- (a) Set forth below is a list of our 10 largest shareholders as on the date of this Draft Red Herring Prospectus and as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

S. No.	Name of Shareholder	No. of Equity Shares	Percentage shareholding (%)
1.	HPL India Limited	11,738,238	25.28
2.	Havell's Electronics Private Limited	11,652,130	25.10
3.	Mr. Lalit Seth	7,703,098	16.59
4.	Himachal Energy Private Limited	5,625,000	12.12
5.	Havell's Private Limited	2,842,655	6.12
6.	Mr. Gautam Seth	2,231,740	4.81
7.	Mr. Rishi Seth	2,231,740	4.81
8.	Ms. Praveen Seth	2,133,098	4.59
9.	Amerex (India) Private Limited	210,000	0.45
10.	Mr. Chandra Prakash Jain	37,500	0.08
	Total	46,405,199	99.96

- (b) Set forth below is a list of our 10 largest shareholders as of two years prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of Shareholder	No. of Equity Shares	Percentage shareholding
1.	HPL India Limited	4,695,295	25.28
2.	Havell's Electronics Private Limited	4,660,852	25.10
3.	Mr. Lalit Seth	3,081,239	16.59
4.	Himachal Energy Private Limited	2,250,000	12.12
5.	Havell's Private Limited	1,137,062	6.12
6.	Mr. Rishi Seth	892,696	4.81
7.	Mr. Gautam Seth	855,050	4.61
8.	Ms. Praveen Seth	853,239	4.59
9.	Amerex (India) Private Limited	84,000	0.45
10.	Socomec S.A.	37,646	0.20
	Total	18,547,079	99.87

9. As on the date of this Draft Red Herring Prospectus, there is no public shareholder holding more than 1% of the pre-Issue share capital of our Company.
10. Except as disclosed below, there has been no subscription to or sale or purchase of our Equity Shares, within the three years immediately preceding the date of this Draft Red Herring Prospectus, by our Promoters, Directors or Promoter Group which in aggregate equals or exceeds 1% of the pre-Issue Equity Share capital of our Company.

S. No.	Name of Shareholder	Promoter/Director/Promoter Group	Number of Equity Shares Acquired/Subscribed	Number of Equity Shares transferred
	Mr. Lalit Seth	Promoter	4,621,859	-
	Havell's Private Limited	Promoter	1,705,593	-
	HPL India Limited	Promoter	7,042,943	-
	Havell's Electronics Private Limited	Promoter	6,991,278	-
	Ms. Praveen Seth	Promoter Group	1,279,859	-
	Mr. Rishi Seth	Promoter Group	1,835,702	-
	Mr. Gautam Seth	Promoter Group	1,835,702	-
	Himachal Energy Private Limited	Promoter Group	3,375,000	-



11. None of the members of the Promoter Group, the Promoters, directors of our Corporate Promoter or our Directors and their immediate relatives have purchased or sold, or financed the purchase or sale of any Equity Shares of our Company, by any other person, 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 this Draft Red Herring Prospectus with the SEBI.
12. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.
13. Except the allotment of Equity Shares dated March 26, 2009 made to Mr. Lalit Seth, Ms. Praveen Seth, Mr. Rishi Seth, Mr. Gautam Seth, Havell's Private Limited, HIL and HEPL pursuant to the HPTL Scheme of Amalgamation, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956.
14. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.
15. All the Equity Shares offered through the Issue will be fully paid-up at the time of Allotment.
16. As on the date of this Draft Red Herring Prospectus, our Company has 11 shareholders.
17. Over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of Allotment. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.
18. Our Promoters, members of our Promoter Group, our Directors and the BRLMs have not entered into any buy-back, safety net or standby arrangements for purchase of Equity Shares being offered through the Issue from any person.
19. Other than any options that may be granted under the ESOS 2016, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Our Company has not raised any bridge loans against the Net Proceeds.
21. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the person who may receive allotment in this Issue.
22. Except any issuance of Equity Shares pursuant to the Pre-IPO Placement, we currently do not intend to or propose any further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment and rights issue or alter the capital structure in any other manner during the period commencing from the date of this Draft Red Herring Prospectus with the SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed on the Stock Exchanges or all application moneys have been refunded, as the case may be.
23. Except any options that may be granted under the ESOS 2016, we currently do not intend or propose to alter our Company's capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or, further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of Equity Shares or qualified institutional placements or otherwise. However, if we enter into any acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisition or participation in such acquisitions or joint ventures.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.



25. Our Promoters, members of our Promoter Group and Group Companies will not participate in the Issue.
26. Transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions being completed.
27. A Bidder cannot submit a Bid for more than the number of Equity Shares offered in the Issue and such bids are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
28. Our Company has not made any public issue of its Equity Shares or rights issue of any kind since its incorporation.



OBJECTS OF THE ISSUE

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

The Net Proceeds are proposed to be utilized by our Company for the following objects:

- (a) Repayment/ prepayment of certain indebtedness;
- (b) Funding working capital requirements; and
- (c) General corporate purposes.

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Issue Proceeds

The details of the proceeds of the Issue are summarized in the table below.

(₹ in million)

S. No.	Particulars	Amount*
(a)	Gross Proceeds of the Issue	[●]
(b)	Issue Expenses	[●]
(c)	Net Proceeds of the Issue	[●]

*To be finalized upon determination of Issue Price.

Utilization of Net Proceeds

The Net Proceeds will be utilized as set forth in the table below.

(₹ in million)

S. No.	Particulars	Amount
1.	Repayment/ prepayment of certain indebtedness	1,300
2.	Funding working capital requirements	2,427.90
3.	General corporate purposes*	[●]
	Total	[●]

* To be finalized upon determination of Issue Price. This amount shall not exceed 25% of the proceeds of the Issue.

Schedule of Implementation and Deployment of Funds

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

(₹ in million)

S. No.	Particulars	Amount proposed to be funded from the Net Proceeds	Estimated Utilization in fiscal 2017
1.	Repayment/ prepayment of certain indebtedness	1,300	1,300
2.	Funding working capital requirements	2,427.90	2,427.90
3.	General corporate purposes	[●]	[●]
	Total	[●]	[●]

* To be finalized upon determination of Issue Price. This amount shall not exceed 25% of the proceeds of the Issue.

Means of finance

We propose to fund the entire requirements of the objects detailed above entirely from the Net Proceeds. Accordingly, Paragraph VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements to be made through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue) does not apply.



Our fund requirements and deployment of the Net Proceeds are based on internal management estimates as per our business plan approved by our Board based on current market conditions, and have not been appraised by any bank, financial institution or other independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently our capital and operational expenditure requirements may also change. Our Company's historical capital and operational expenditure may not be reflective of our future expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

In case of any increase in the actual utilization of funds earmarked for the objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the objects is lower than the proposed deployment such balance will be used for future growth opportunities including general corporate purposes. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, such proceeds shall be utilized in the next fiscal. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of the Objects

1. *Repayment/prepayment of certain indebtedness*

Our Company has entered into various financing arrangements with banks. Arrangements entered into by our Company include term loans for the purpose of financing capital expenditure and long term working capital requirements and secured working capital loans. As on December 31, 2015, the aggregate amount of loans outstanding under our various financing arrangements was ₹ 6,017.01 million, comprising of term loans of ₹ 1,395.56 million and secured working capital loans of ₹ 3,921.45 million. For details of our indebtedness, see "*Financial Indebtedness*" on page 309.

We intend to utilize up to ₹ 2,427.90 million from the Net Proceeds towards repayment/prepayment of such borrowings in fiscal 2017. We believe that such repayment/prepayment of our borrowings will reduce our debt to equity ratio and our finance costs and facilitate utilization of our internal accruals for further growth of our business.

Set forth below are brief details of the terms of the borrowings which have been identified for repayment/prepayment out of the Net Proceeds.

(₹ in million)					
Lenders	Sanctioned Amount	Rate of interest as on December 31, 2015 (% p.a.)	Purpose for which the loan was utilized	Repayment Schedule*	Amount outstanding as on December 31, 2015**
Term Loans					
ICICI Bank Limited	500.00	10.85	(i) ₹ 224 million was used for refinancing an older term loan availed from Axis Bank Limited and SberBank of Russia; (ii) ₹ 150 million was used for funding long term working capital requirement; and (iii) ₹ 126 million to be utilized for purchase of plant and machinery for utilization at our	Repayment of the principal amount to be made in twelve unequal quarterly instalments commencing on June 30, 2015	376.00



Lenders		Sanctioned Amount	Rate of interest as on December 31, 2015 (% p.a.)	Purpose for which the loan was utilized	Repayment Schedule*	Amount outstanding as on December 31, 2015**
				manufacturing facility situated at Kundli (Haryana)		
				₹ 300 million was used for augmenting our working capital requirement and ₹ 100 million was used for plant and machinery for use,, primarily at our manufacturing facilities situated at Gurgaon (Haryana)	Repayment to be made in 5.5 years with structured monthly installments after a moratorium period of one year, commencing on April 1, 2014	284.38
				(i) ₹ 180 million was used for refinancing of existing debt availed from Tamilnad Mercantile Bank Limited; (ii) ₹ 220 million was used for routine capital expenditure at our manufacturing facilities and for augmentation of long term working capital expenditure	Repayment to be made in 16 monthly installments after a moratorium period of one year, commencing in June, 2016	400.00
				₹ 84.60 million was used towards purchase of plant and machinery for use, primarily at our manufacturing facilities at Gurgaon (Haryana) and the remaining amount was used for fulfilling working capital requirements	Repayment to be made in 48 equal monthly installments for the principal amount and interest is to be recovered as on when debited or on a monthly basis, commencing September 30, 2014	166.67
State Bank of India	Bank of India	200.00	13.20	The entire amount was used for purchase of plant and machinery for our manufacturing facility situated at Kundli (Haryana) and our Gurgaon Facility II	Repayment to be made in 16 quarterly installments of ₹ 12.5 million with the first installment commencing after a moratorium period of one year, commencing November 30, 2016	168.51
Working Capital Loans						
State Bank of India, Oriental Bank of Commerce, State Bank of Patiala, IDBI Bank Limited, State Bank of		3,921.45	Base rate of each Consortium Bank plus applicable margin	The entire loan was used for fulfilling working capital requirements	Repayable on demand	3,921.45



Lenders	Sanctioned Amount	Rate of interest as on December 31, 2015 (% p.a.)	Purpose for which the loan was utilized	Repayment Schedule*	Amount outstanding as on December 31, 2015**
Mysore, DBS Bank Limited, IndusInd Bank Limited, Axis Bank Limited, HDFC Bank Limited, Canara Bank Limited, The Ratnakar Bank Limited, Karnataka Bank Limited, State Bank of Bikaner and Jaipur, The Bank of Nova Scotia, CTBC Bank Company Limited, ICICI Bank Limited ("Consortium Banks"), State Bank of India being the lead bank of the consortium ("Lead Bank")***					
Total	5,671.45				5,317.01

*The repayment schedule is based on the total sanctioned amount for each of the financing arrangements.

** As per certificate issued by our Auditors, dated February 24, 2016.

*** Our working capital limits are reviewed and renewed annually

As per the certificate issued by our Auditors dated February 24, 2016, the amounts drawn down under above-mentioned loans have been utilized towards purposes for which such loans have been sanctioned. For further details on the terms and conditions of these financing arrangements, see "**Financial Indebtedness**" on page 309.

The amounts under the working capital facilities may be dependent on various factors and may vary with the working capital cycle of the Company and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under our working capital facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing term loan or working capital facilities. In such event, we may utilize the Net Proceeds towards repayment/pre-payment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings, receipt of consents for pre-payment from the respective lenders and applicable law governing such borrowings. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of loans, in part or full, will not exceed ₹ 2,050 million. Further, we propose to utilize certain portion of the Net Proceeds towards repayment of borrowings availed from State Bank of India and ICICI Bank Limited, which are associates/affiliates of the Book Running Lead Managers to this Issue.

We may be required to obtain the prior consent of or notify certain of our lenders prior to the repayment/prepayment. Further, we may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being prepaid/repaid, as applicable. Payment of prepayment penalty or premium, if any, shall be made by our Company from the Net Proceeds. If the Net Proceeds are insufficient to for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.



2. Funding working capital requirements

We have significant working capital requirements and we fund our working capital requirements in the ordinary course of business from our internal accrual, financing from various banks and financial institutions and capital raising through issue of Equity Shares.

As on December 31, 2015, our Company's working capital facilities consisted of an aggregate fund based limit of ₹ 3,921.45 million and an aggregate non-fund based limit of ₹ 3,870.20 million, on a standalone and on a consolidated basis. As on September 30, 2015, our Company's working capital facilities consisted of an aggregate fund based limit of ₹ 4,248.19 million on a standalone and a consolidated basis. Additionally, our Company has issued commercial paper amounting to ₹ 700 million, which were outstanding as on September 30 2015 and on December 31, 2015. For further details on our working capital loan, see "**Financial Indebtedness**" on page 309.

Basis of estimation of working capital requirement and estimated working capital requirement

Set forth below are the current assets and working capital requirement of our Company as on March 31, 2015 and September 30, 2015, as per the Restated Consolidated Financial Statements.

S. No.	Particulars	March 31, 2015 (₹ in million)	Holding levels (in days)	September 30, 2015 (₹ in million)	Holding levels (in days)
I.	Current Assets				
1.	Inventories				
(a)	Raw material	1,120.51	55	1,237.65	66
(b)	Work-in-progress	993.63	43	619.17	25
(c)	Finished goods	966.92	43	1,014.73	42
(d)	Stores spares and consumables	3.11	595	3.00	255
2.	Trade receivables				
(a)	Sundry debtors	4,013.92	126	5,068.91	153
(b)	Other trade receivables	Nil	N.A.	Nil	N.A.
3.	Cash and bank balances	544.28	N.A.	534.40	N.A.
4.	Short term loans and advances	535.53	N.A.	485.50	N.A.
5.	Other current assets	11.42	N.A.	7.27	N.A.
	Total current assets (A)	8,189.12		8,970.63	
II.	Current Liabilities				
1.	Trade payables	2,442.36	116	2,839.76	147
2.	Short term borrowings*	Nil	N.A.	Nil	N.A.
3.	Other current liabilities	403.83	N.A.	526.82	N.A.
4.	Short term provisions	164.48	N.A.	121.08	N.A.
	Total current liabilities (B)	3,010.67		3,487.66	
III.	Total working capital requirements (A-B)	5,178.45		5,482.97	

* Excluding short term borrowings from banks and commercial paper

Set forth below are the estimated current assets and working capital requirements as on March 31, 2017.

S. No.	Particulars	March 31, 2017 (₹ in million)	Holding days (in days)
I.	Current Assets		
1.	Inventories		
(a)	Raw material	1,160.80	50
(b)	Work-in-progress	830.00	30
(c)	Finished goods	840.00	30
(d)	Stores spares and consumables	0.10	49
2.	Trade receivables		
(a)	Sundry debtors	5,636.00	143
(b)	Other trade receivables	Nil	N.A.
3.	Cash and bank balances	634.00	N.A.
4.	Short term loans and advances	279.20	N.A.
5.	Other current assets	12.00	N.A.



S. No.	Particulars	March 31, 2017 (₹ in million)	Holding days (in days)
	Total current assets (A)	9,392.10	
II.	Current Liabilities		
1.	Trade payables	2,300.00	100
2.	Short term borrowings	Nil	N.A.
3.	Other current liabilities	102.20	N.A.
4.	Short term provisions*	292.00	N.A.
	Total current liabilities (B)	2,694.20	
III.	Total working capital requirements (A-B)	6,697.90	
IV.	Funding pattern		
1.	Working capital facilities from banks	3,870.00	N.A.
2.	Part of the net proceeds proposed to be utilized	2,427.90	N.A.
3.	Internal accruals	400.00	N.A.
	Total working capital requirements	6,697.90	

* Excluding short term borrowings from banks and commercial paper.

Our Company proposes to utilize ₹ 2,427.90 million of the Net Proceeds in fiscal 2017, towards working capital requirements for meeting our business requirements.

Our Auditors have, pursuant to a certificate dated February 24, 2016, certified the working capital requirements of our Company. See “**Material Contracts and Documents for Inspection**” on page 451.

3. General Corporate Purposes

The Net Proceeds will be first utilized towards the object mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including the following:

- (i) strategic initiatives;
- (ii) brand building and strengthening of marketing activities; and
- (iii) meeting ongoing general corporate exigencies or any other purposes as approved by our Board of Directors subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head ‘General Corporate Purposes’ and the business requirements of our Company, from time to time.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of the Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. Set forth below are the estimated Issue expenses.

(₹ in million)			
Activity	Estimated expenses*	As a % of the total estimated Issue expenses *	As a % of the total Issue size*
Fees payable to the BRLMs, including underwriting commission, brokerage and selling commission (including commissions to Designated Intermediaries)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the	[●]	[●]	[●]



Activity	Estimated expenses*	As a % of the total estimated Issue expenses *	As a % of the total Issue size*
Syndicate and Designates Intermediaries and submitted with the SCSBs ⁽¹⁾			
Other expenses (SEBI filing fees, listing fees, legal and auditor fees, book building fees, depository's charges, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated after the determination of the Issue Price, at the time of filing of the Prospectus.

(1) SCSBs will be entitled to a processing fee of ₹ [●] per valid Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or Registered Brokers, RTAs or CDPs and submitted to SCSBs. The details of commission and processing fees payable to each of the Registered Brokers, RTAs or CDPs and the timelines for payment shall be disclosed in the Red Herring Prospectus and this shall be implemented strictly.

Our Company will bear all costs, charges, fees and expenses associated with and incurred in connection with this Issue.

Interim Use of Funds

Our management will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only in interest bearing accounts with the Scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended for the necessary duration. Such investments will be approved by our management from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investment in any other equity or equity linked securities.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

As the size of the Issue is less than ₹ 5,000 million, the appointment of a monitoring agency is not required. Accordingly, no monitoring agency has been appointed in respect of the Issue.

Variation in Objects

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary the objects of this Issue without the prior authorization from the shareholders of our Company by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or key managerial personnel.



BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe that we have the following competitive strengths:

- Established brand in the electric equipment industry
- Large product portfolio
- Robust manufacturing facilities with a focus on technology upgradation
- Pan-India sales and distribution network
- Established relationship with institutional customers and strong pre-qualification credentials
- Experienced management team and skilled workforce

For further details see, “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 127, 14 and 181 respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements for the fiscals 2015, 2014 and 2013, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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

1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for change in capital:

A. Pre-Bonus Basis

As per our Restated Standalone Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	17.16	17.16	1
March 31, 2014	15.50	15.50	2
March 31, 2015	18.55	18.55	3
Weighted Average	17.30	17.30	
Six Months period ended September 30, 2015*	9.06	9.06	

*Not Annualized

As per our Restated Consolidated Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	17.16	17.16	1
March 31, 2014	15.28	15.28	2
March 31, 2015	18.64	18.64	3
Weighted Average	17.27	17.27	
Six Months period ended September 30, 2015*	8.80	8.80	

*Not Annualized

B. Post – Bonus Basis

As per our Restated Standalone Financial Statement:



Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	6.81	6.81	1
March 31, 2014	6.20	6.20	2
March 31, 2015	7.42	7.42	3
Weighted Average	6.91	6.91	
Six Months period ended September 30, 2015*	3.62	3.62	

*Not Annualized

As per our Restated Consolidated Financial Statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	6.81	6.81	1
March 31, 2014	6.11	6.11	2
March 31, 2015	7.46	7.46	3
Weighted Average	6.90	6.90	
Six Months period ended September 30, 2015*	3.52	3.52	

*Not Annualized

Note:

- Basic EPS: net profit after tax as restated *divided* by weighted average number of Equity Shares outstanding at the end of the year.
- Diluted EPS: net profit after tax as restated *divided* by weighted average number of diluted Equity Shares outstanding at the end of the year.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
- The EPS has been calculated in accordance with the Accounting Standard 20 – “Earnings Per Share” issued by the Institute of Chartered Accountants of India. Our Company has issued 27,857,520 bonus shares in ratio of three fully paid-up equity shares for every two equity shares held on November 16, 2015. As required by AS-20, the calculation of basic and diluted earnings per share is adjusted for all the periods mentioned in the working of EPS on post-bonus basis.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexures 4 and 5.

2. Price/Earnings (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of ₹ 10 Each:

- P/E based on basic and diluted restated unconsolidated EPS at the lower end of the Price Band for Fiscal 2015 is [●]
- P/E based on basic and diluted restated unconsolidated EPS at the higher end of the Price Band for Fiscal 2015 is [●]
- P/E based on basic and diluted restated consolidated EPS at the lower end of the Price Band for Fiscal 2015 is [●]
- P/E based on basic and diluted restated consolidated EPS at the higher end of the Price Band for Fiscal 2015 is [●]

3. Return on Net Worth (“RoNW”)

As per our Restated Standalone Financial Statements:

Year Ended	RoNW (%)	Weight
March 31, 2013	11.13	1
March 31, 2014	9.26	2



March 31, 2015	10.8	3
Weighted Average	10.34	
Six Months period ended September 30, 2015*	5.01	

*Not Annualized

As per our Restated Consolidated Financial Statements:

Year Ended	RoNW (%)	Weight
March 31, 2013	11.15	1
March 31, 2014	9.15	2
March 31, 2015	10.88	3
Weighted Average	10.35	
Six Months period ended September 30, 2015*	4.89	

*Not Annualized

Note:

- i. Return on net worth has been computed as net profit after tax as restated, divided by net worth, as restated at the end of the year.
 - ii. Net worth for equity shareholders has been computed as sum of share capital and reserves and surplus (including securities premium, general reserve, stock options outstanding and surplus in statement if profit and loss), as restated
4. **Minimum Return on increased net worth for maintaining pre-Issue EPS for the year ended March 31, 2015**

As per our Restated Standalone Financial Statements:

Based on the Basic and Diluted EPS:

At the Floor Price – The minimum return on increased net worth required to maintain pre-Issue basic and diluted EPS for the year ended March 31, 2015 is [●]% at the Floor Price

At the Cap Price – The minimum return on increased net worth required to maintain pre-Issue basic and diluted EPS for the year ended March 31, 2015 is [●]% at the Cap price

As per our Restated Consolidated Financial Statements:

Based on the Basic and Diluted EPS:

At the Floor Price –The minimum return on increased net worth required to maintain pre-Issue basic and diluted EPS for the year ended March 31, 2015 is [●]% at the Floor Price

At the Cap Price –The minimum return on increased net worth required to maintain pre-Issue basic and diluted EPS for the year ended March 31, 2015 is [●]% at the Cap Price

5. Net Asset Value (“NAV”) per Equity Share

As per our Restated Standalone Financial Statements:

Year Ended	NAV
As on March 31, 2015 (Pre-Bonus)	171.66
As on March 31, 2015 (Post-Bonus)	68.66
As on September 30, 2015 (Pre-Bonus)*	180.71
As on September 30, 2015 (Post-Bonus)*	72.79

*Not Annualized



As per our Restated Consolidated Financial Statement:

Year Ended	NAV
As on March 31, 2015 (Pre-Bonus)	171.34
As on March 31, 2015 (Post-Bonus)	68.53
As on Six Months period ended September 30, 2015 (Pre-Bonus)*	180.14
As on September 30, 2015 (Post-Bonus)*	72.06

*Not Annualized

Issue price: ₹ [●]

Net asset value after the Issue (Standalone): ₹ [●]

Net Asset value after the Issue (Consolidated): ₹ [●]

Note: Net Asset value per Equity share has been computed as Net Worth for Equity Shareholders at the end of the year divided by the total number of Equity Shares outstanding at the end of the period/year

*Issue price will be determined on the conclusion of the Book Building Process.

6. Comparison of accounting ratios with the Industry Peers

The peer company has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

Name of the company	Revenue (In ₹ Million)	Face Value per Equity Share (₹)	P/E *	EPS (Basic & Diluted) (₹)	Return on Net Worth (%)	Net Asset Value per Share (₹)
HPL Electric & Power Limited ⁽¹⁾	10,471.27	10	[●]	18.64 (pre-Bonus) 7.46 (post-Bonus)	10.88	171.34 (pre-Bonus) 68.53 (post-Bonus)
Havells India Limited ⁽²⁾	86,198.9	1	47.29	6.17	21.20	29.12

(1) The EPS, RoNW and NAV figures for our Company are based on the restated consolidated financial statements for the year ended March 31, 2015 (on pre-bonus basis).

(2) Based on audited consolidated Financials for fiscal 2015

* Based on closing market price as on February 15, 2016, available on www.bseindia.com

The Issue Price of ₹ [●] has been determined by our Company, 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 14 and 181, 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**” or any other factors that may arise in the future and you may lose all or part of your investments.



STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO HPL ELECTRIC & POWER LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
HPL Electric & Power Limited
1/21, Asaf Ali Road,
New Delhi-110002

Dear Sirs,

Subject: Statement of possible tax benefits ('the Statement') available to HPL Electric & Power Limited ('the Company') and its Shareholders

We hereby report that the enclosed Annexure prepared by the Company, states the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2015 (i.e. applicable for financial year 2015-16, relevant to the assessment year 2016-17) presently in force in India as on the signing date. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible tax benefits available to the Company and its shareholders. Further, the preparation of the Statement and its contents is the responsibility of the Management. We were informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer for sale.

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

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

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

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

The enclosed annexure is intended for your information and for inclusion in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.



Yours faithfully,
For Sahni Mehra & Co.
Chartered Accountants
(Firm Registration Number: 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No.: 009246)
Place: New Delhi
Date : December 24, 2015



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

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

UNDER THE INCOME TAX ACT, 1961 (“THE ACT”)

A. BENEFITS TO THE COMPANY UNDER THE ACT:

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. Special tax benefits available to the Company

a) Deduction under section 35(2AB)

As per section 35(2AB), where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to two times of the expenditure so incurred. Such weighted deduction under section 35(2AB) is available till assessment year 2017-18.

The Company is eligible to claim a deduction of a sum equal to two times of the expenditure so incurred on Research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under section 35(2AB) on in-house research and development facility as approved by the prescribed authority.

b) MAT credit

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

c) Dividends

As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax.

Further, any amount declared, distributed or paid by the Company by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15% (plus applicable surcharge and education cess). Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Act, subject to fulfillment of prescribed conditions.



B. Benefits to the shareholders of the Company under the Act

There are no special tax benefits available to the shareholders of the company.

Note:

All the above benefits are as per the applicable tax laws subject to any change or amendment in the tax laws/regulation, which when implemented will impact the same.

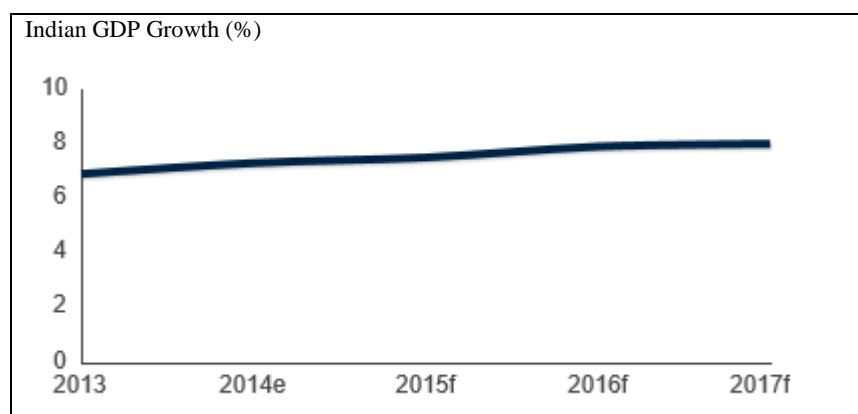
SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

The information in this section is primarily derived from the report titled “Indian Power Sector Overview and Market Landscape for Select Electrical Equipment” dated February, 2016 that has been prepared Frost & Sullivan Report and other various publicly available sources, governmental publications and other industry sources. The information in this section has not been independently verified by us, the BRLMs or their respective legal, financial or any other advisors, and no representation is made as to the accuracy of 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 and accordingly, investment decisions should not be based on such information. Industry sources and publications may also base their information and estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Overview of the Indian Economy

India is the world’s fourth largest economy, with a population of 1.2 billion people. Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, which began in the early 1990s served to accelerate the country's growth. (Source: CIA World Factbook) The GDP of India accelerated in fiscal 2015, rising by 7.3% on top of a growth of 6.9% in fiscal 2014. (Source: RBI Annual Report)

For the fiscal 2016, the forecast for real GDP growth rate in India is estimated to be 7.9%. (Source: World Bank Database and Global Economic Prospects, January 2016)



(Source: World Bank Database and Global Economic Prospects, January 2016)

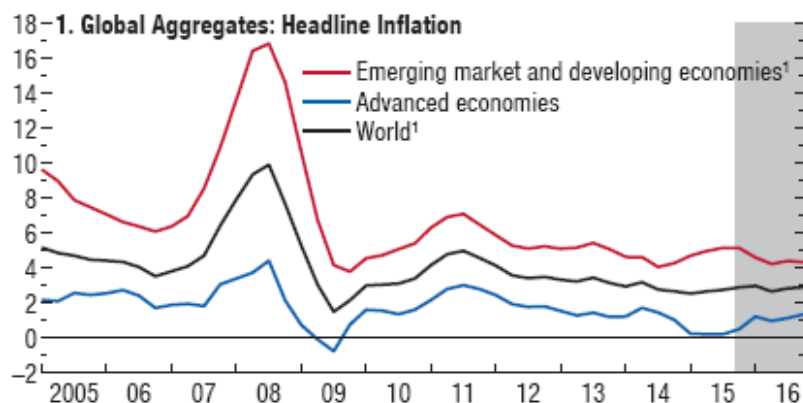
For the Indian economy, the outlook for growth is improving gradually. Business confidence remains robust, and as the initiatives announced in the union budget to boost investment in infrastructure roll out, they should crowd in private investment and revive consumer sentiment, especially as inflation ebbs. In the first quarter of fiscal 2016, indicators of real activity have broadly tracked the Reserve Bank of India’s baseline projection of output growth (at basic prices) at 7.6% for the year as a whole, up from 7.2% in the corresponding period of fiscal 2015. The macroeconomic fundamentals of the Indian economy improved gradually over the year, anchored by some easing of inflation and continuing fiscal consolidation. (Source: RBI Annual Report)

After dipping below 5.0% in April 2015, consumer price index inflation edged up to 5.4% in June 2015 driven by the food group owing to a fall in pulses production during fiscal 2015 and short-term pressures in vegetables prices. In July 2015, however, inflation declined significantly to 3.8% aided by favorable base effect and ebbing food price pressures. Excluding food and fuel, inflation moved up substantially to 5.0% in June 2015 from 4.2% in March 2015 on account of a broad-based rise in inflation in services segment, such as health and education as well as retail fuel price increases captured by the transport and communication sub-group. It, however, moderated to 4.5% in July 2015 tracking lower transport costs with recent fall in fuel prices. Importantly, household inflation expectations returned to double digits in the first quarter of fiscal 2016. (Source: RBI Annual Report)

Overview of the Global Economy

The world GDP stood at USD 109.3 trillion as of 2014 and the per capita GDP stood at USD 16, 400. Service sector contributed 62.5% of the total world GDP, followed by industry and agriculture contributing 31.0% and 6.6%, respectively, as of 2014. The world industrial production growth rate surged at a rate of 3.6% during the corresponding period. (Source: CIA World Factbook)

Headline inflation has declined in advanced economies, mostly reflecting the decline in the prices of oil and other commodities. Core inflation has remained more stable, but generally is below central banks' inflation objectives, as are nominal unit labor costs. In emerging market economies, lower commodity prices have also contributed to lowering headline inflation, but sizable currency depreciation has led to offsets on the upside in some economies. (Source: World Economic Outlook)



(Source: World Economic Outlook)

After remaining broadly stable during the second quarter of fiscal 2015, oil prices declined through much of the third quarter of fiscal 2015. Recent developments suggest that oil markets will take longer to adjust to current conditions of excess flow supply, and oil prices through 2020 are now forecast to remain below the projected levels. Supply has remained more resilient than expected, and global activity has been weaker. While lower oil prices have supported demand in importers, other shocks have partly offset the effects and so far prevented a broad-based pickup in activity, which in turn would have supported oil market rebalancing. (Source: World Economic Outlook)

According to the International Monetary Fund, the global growth remains moderate. Although country-specific shocks and developments play a role, the persistently modest pace of recovery in advanced economies and the fifth consecutive year of growth declines in emerging markets suggest that medium-term and long-term common forces are also importantly at play. These include low productivity growth since the crisis, crisis legacies in some advanced economies (high public and private debt, financial sector weakness and low investment), demographic transitions, ongoing adjustment in many emerging markets following the post crisis credit and investment boom, a growth realignment in China with important cross-border repercussions and a downturn in commodity prices triggered by weaker demand as well as higher production capacity. Global factors and country-specific developments points to a weaker recovery in 2016 and to higher downside risks. Growth in advanced economies are expected to increase modestly in 2016. (Source: World Economic Outlook)

Overview of the power sector in India

India has a very dynamic and diversified power sector, characterized by the presence of diversified power generation sources including conventional sources such as coal, natural gas, hydro and nuclear energy, as well as, renewable energy sources such as solar and wind energy.

The Indian Power sector has witnessed a considerable change and evolution in the last two decades owing to several policy and regulatory measures. Further, continuous growth in population and increasing urbanization and industrialization have constantly added to the electricity demand in India, with 300 million of existing population yet to receive electricity connections and the remaining one billion population having intermittent access to electricity. Programmes such as rural electrification and 'Power for All' have been accelerating power generation capacities and further, helping in building effective systems for demand-side management to ensure overall efficiency improvements across generation, transmission and distribution.

In September 2015, the total installed capacity for power generation in India was 278,734 MW, of which the states contributed 96,455 MW or 34.6%, and the central government and the private sector contributed 74,171 MW 26.6% and 108,108 MW or 38.8%, respectively.

Demand for power in India

India's energy demand is expected to grow by 132% by 2035 and is likely to surpass China in the energy demand growth and double the aggregate demand of non-OECD countries. The primary growth drivers for rapid expansion in India's energy demand include growth in population, rising per capita energy consumption levels and investments in industrial and infrastructure development. The demand for electricity in India is driven primarily by growth in the manufacturing sector, heightened residential consumption, growing economy and population, rapid urbanization and various rural electrification programmes. The total electricity consumption for India during fiscal 2015 was 940 billion kWh and is expected to increase to reach around 2,280 billion kWh by 2021-22 and 4,500 billion kWh by 2031-32.

Towards this objective, the GoI has taken various initiatives, brief details of which are set forth below.

A. Increased focus on renewable energy

There has been increased focus by the GoI on renewable energy with the object of achieving green energy solutions and improving the fuel mix for power generation in India, which is largely dependent on coal-based power. In the Union Budget announced in 2015 ("**2015 Union Budget**"), the GoI announced a targeted clean energy installed capacity of 175 GW by 2022, comprising 100 GW of solar power, 60 GW of wind power, 10 GW of energy from biomass, and 5 GW from small hydroelectric projects.

B. Smart grid initiatives

The GoI plans to invest ₹ 136,500 crore (USD 21.6 billion) in the smart grid infrastructure in India over the period 2015-2025, signifying the largest long-term smart grid investment in the country. Additionally, the GoI has also announced an investment of USD 4 billion in funding smart metering programmes, pursuant to which the implementation of smart metering systems will be undertaken for all consumers serviced by state distribution companies, to be completed by December 2017 for households having high power usage, through to December 2019 for the remaining households.

Implementation of projects over USD 8 billion is underway across all Indian states to curb energy losses. For instance, the public utility responsible for power distribution to more than 3.5 million consumers across 11 districts in the state of Uttar Pradesh is implementing smart metering solution to automate its meter reading and billing process to ensure regular and accurate bills. Benefits of deployment of smart metering solutions will include reduction in the cost of servicing customers, enabling reduction in AT&C Losses and improvement in peak load handling and overall power outage management.

C. Rural electrification

The GoI has announced programmes for rural electrification to support low income and low consumption rural distribution networks, such as the Dindayal Upadhyay Gram Jyoti Yojana and has allocation ₹ 5 billion for this programme, for launching feeder separation system to augment power supply to rural areas and for strengthening sub-transmission and distribution systems.

D. Financial revival of state distribution companies

The Government of India has approved the Ujwal DISCOM Assurance Yojana ("**UDAY**") on November 5, 2015 with the objective of financial revival of state owned power distribution companies, based on four key initiatives, namely, (a) reduction in interest cost of state power distribution companies, principally through phased takeover of their debt by respective state Governments; (b) improving operational efficiencies of state power distribution companies; (c) reduction in cost of power purchase; and (d) enforcing financial discipline on state power distribution companies through alignment with finances of respective state Governments. UDAY envisages significant support from respective state Governments, primarily in the form of taking over of approximately 75% of the debt owed by state power distribution companies, during fiscals 2016 and 2017 by the respective State

Governments and reduction in interest rate for the balance 25% of their debt, which may be issued in the form of bonds by the state power distribution companies backed by the guarantee of the respective state Government.

Additionally, we believe that pursuant to the UDAY Scheme there would be added emphasis on improvements in operational efficiency including through mandatory use of smart metering solutions, upgradation of transformers and meters, implementing energy efficiency measures like efficient LED bulbs, agricultural pumps, fans and air conditioners, amongst others. These measures are expected to reduce the average AT&C Loss from around 22% to 15% and eliminate the gap between ARR and the ACS by fiscal 2019 (*Source: Frost & Sullivan Report*).

E. Promoting public private partnerships in the distribution system

The Government of India has been encouraging private companies to operate in the power distribution system in India, such as the private power distribution utilities in Kolkata, Mumbai, Surat, and Ahmedabad, which have improved efficiency and customer service in this area. The franchisee model for power distribution has worked well for both consumers and the Government, helping in reducing transmission and distribution losses. For instance, the Bhiwandi project by Torrent Power in Maharashtra reduced these losses from 48% in 2007 to 19% in the recent past. Further, the franchise model for power distribution attracts investment as it is not exposed to regulatory uncertainty.

Transmission and distribution losses coupled with deteriorating financial condition of state power distribution companies and political pressure to keep tariffs low have resulted in high AT&C Losses in the Indian power sector, varying across states. However, with modernization drives promoted by the Government of India, state power distribution companies will have the ability to invest in automation, smart metering solutions and upgradation of line networks, transformers, etc., all of which are expected to contribute towards reducing such losses.

Overview of the Indian power transmission and distribution sector

The increased focus on power generation has resulted in relatively lesser investment in the transmission and distribution sector. This has further led to high power merchant rates, power stations backing down, low plant load factor at power plants due to lack of adequate transmission capacity and high transmission and distribution losses. However, the Twelfth Five Year Plan (“12th FYP”) and estimates arrived at thereafter have inclined to provide for similar investment in the power sector towards generation and transmission and distribution.

Based on the investment in the power sector in India for the period between 12th FYP and thereafter, set forth below is the estimated cumulative spend on electrical equipment.

Plan-wise equipment demand (cumulative)		
Equipment	2012 to 2017, INR '000 Cr	2017 till 2022, INR '000 Cr
Generation equipment	300-350	500-600
T&D equipment	700-750	1,000-1,150

(*Source: Frost & Sullivan Report*)

The inter-regional capacity at the end of the Eleventh Five Year Plan issued by the former Planning Commission of India was 28 GW and is expected to reach up to 66 GW by the end of the 12th FYP. In the 12th FYP, total transmission substation capacity addition is estimated to be 270,000 MVA, while 110,340 circuit kilometers (ckm) of transmission lines are expected to be added.

The Ministry of Power, Government of India (“MoP”) has implemented certain measures to boost performance of the transmission industry, details of which are given below.

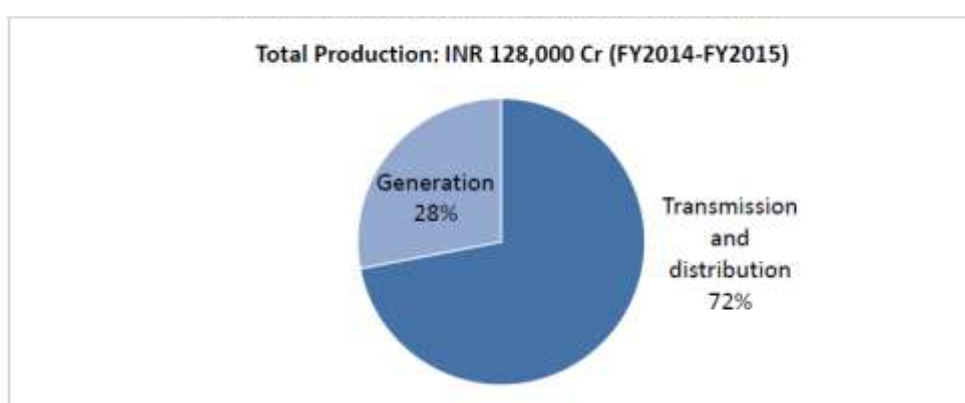
- *Private sector participation:* The MoP has permitted a number of projects to be implemented by private firms under the build, own and operate route.
- *Development of the National Power Grid:* The National Grid is expected to facilitate optimal utilization of electricity and also make scheduled/ unscheduled exchange of power between various regions possible.

Overview of the electrical equipment industry

The Indian electrical equipment industry is immensely diversified, comprising manufacturing capabilities for high technology equipment on one hand, to low technology electrical components. The electrical equipment industry contributes 9.9% in value to the entire Indian manufacturing sector, translating to 1.4% of India's GDP. The Indian electrical equipment industry is estimated to grow at a CAGR of 8–12% during 2016–2020, varying across electrical equipment. LT electrical equipment such as switchgears, energy meters and wires and cables are expected to witness a faster growth in comparison to generation equipment. Further, the generation equipment segment is targeted to reach a size of ₹ 125,000 crore and the T&D Equipment segment is targeted to reach a size of ₹ 375,000 crore by 2022.

The Indian electrical equipment industry comprises power generation equipment and T&D Equipment. The power generation equipment includes boilers, turbines and generators, whereas T&D Equipment includes transformers, switchgears, transmission towers, wires and cables, energy meters and other equipment such as capacitors, instrument transformers and surge arrestors. T&D Equipment is further classified into HT and LT electrical equipment.

Electrical Equipment Industry Segmentation



(Source: Frost & Sullivan Report)

LT or low voltage (“LV”) electrical equipment is a rapidly evolving industry segment, traditionally driven by demand from the Industrial segment. However, the LV electrical equipment industry has grown significantly in last decade across other sectors such as commercial, residential and infrastructure. Broad product categories under LV electrical equipment include LV switchgears such as air circuit breakers, MCCB, changeover switches; LV control gear such as contactors, relays and capacitors; energy meters for household electricity metering purposes, panel meters for industrial metering purposes and utility meters; LT wires and cables used as part of industrial and commercial wiring; building wires and flexible wires used as part of residential wiring; lighting products such as CFL, LED lamps, incandescent lamps; and residential and commercial protection devices such as MCB and residual current device.

Key demand drivers for the electrical equipment industry

The electrical equipment industry has been primarily driven by investments and modernization drives across the transmission and distribution segment. The ongoing addition to transmission lines capacity and sub-station projects, addition in power generating stations, especially of renewable energy like wind and solar energy and modernization initiatives such as the Restructured Accelerated Power Development and Reforms Program, have fueled domestic demand for electrical equipment.

Some of the key demand drivers for growth in the electrical equipment industry are set forth below.

A. Establishment of Smart Cities and real estate growth

The Government plans to spend over ₹ 3 lakh crore to recast 100 cities, improving the existing infrastructure, which will translate in increased demand for electrical equipment in India. Further, policy reforms such as allowing 100% foreign investment in the real estate sector, tax benefits for foreign investors, establishment of smart cities and fueling urbanisation, the industry is expected to grow at 30% over the next decade. Increasing

urban population is expected to cross 590 million by 2030, and such urbanization and growing household income are expected to fuel demand for residential real estate, which is a significant consumer for a variety of LT electrical equipment and lighting solutions, and is expected to drive the entire value chain of electrical industry.

B. Affordable Housing

The growing focus on affordable housing market by the private sector and the Government has resulted in several initiatives to promote the segment including National Urban Housing and Habitat Policy, Jawaharlal Nehru National Urban Renewal Mission and Rajiv Awas Yojana. The smart cities initiative also includes the 'housing for all' initiative, which plans building of two crore homes for the economically weaker sections in India by 2022. This initiative will not only boost the construction and cement industry, but will also put a major thrust over the electrical equipment industry in India. Along with driving the consumer end of the electrical equipment industry, the affordable housing segment also promotes innovation into low cost and affordable electrical solutions targeted towards the segment.

C. Open markets favoring a competitive landscape

The power sector has been de-licensed, which helps the entry of major global participants in India. This initiative will increase the amount of investments in the power sector, which will provide a huge opportunity for the sector to thrive. The entry of private participants with strategic plans and higher investment would facilitate the EE industry to grow exponentially.

D. Capacity Addition and Investments in the power sector

India's power generation installed capacity estimated to reach 350 GW in 2022 from 234 GW in 2014. The added capacity in India would fuel demand for electrical equipment and the Government plans on curbing the imports, thus the domestic electric equipment manufacturing industry would grow at a substantial rate. Additionally, Government initiatives such as the 'Make in India', will help the sector to become a key participant in the global industry. Also, the Government is pushing for investments in the power sector and providing easy financing for the power companies, which will help the industry to grow domestically as well. Planned Power Generation capacity additions will further boost domestic transmission and distribution equipment industry with an expected capital expenditure ₹ 200,000 crore in the transmission sector and estimated ₹ 300,000 crore expenditure as part of distribution sector capacity additions/reforms corresponding to 12th FYP.

E. Modernization drives and new technology adoption

In addition to rapid expansion and capacity addition, India has witnessed a series of modernization drives as part of its ageing electricity grid infrastructure. Notably initiatives around substation metering schemes, rural electrification programs, street lighting and smart metering have significantly increased demand for modern electrical equipment. Smart meters, fire resistant wires and cables, LED lighting, and gas insulated switchgear are technology adoptions that have witnessed tremendous growth in recent years. These modern products have offered domestic and international companies new market avenues for growth where customers have readily understood the advantages associated with such upgrades and adopted for usage of the same.

F. Indian Electrical Equipment Industry Mission Plan 2012-2022

The plan sets the guidelines for making India the choice for production of electrical equipment, thereby making way for domestic production of electrical equipment and reach an output of US\$ 100 billion by balancing exports and imports. Some of the focus areas as part of the mission plan include achieving industry competitiveness, technology upgradation, skill development, promoting growth in exports, including export to emerging markets and enabling conversion of latent demand.

Key challenges faced by the electrical equipment industry

The electrical equipment industry, however, continues to face severe credit shortages, enormous delays, and non-adherence of payment terms by customers, primarily power utilities, resulting in severe cash flow and working capital problems across the industry. Further, the depreciating Rupee has made imports of critical raw materials and inputs for electric equipment manufacture more expensive. Moreover, due to the continued threat from imports of electrical equipment in the Indian market, domestic manufacturers have been forced to absorb this additional cost to remain competitive. Domestic manufacturers have in the past offered stiff competition from

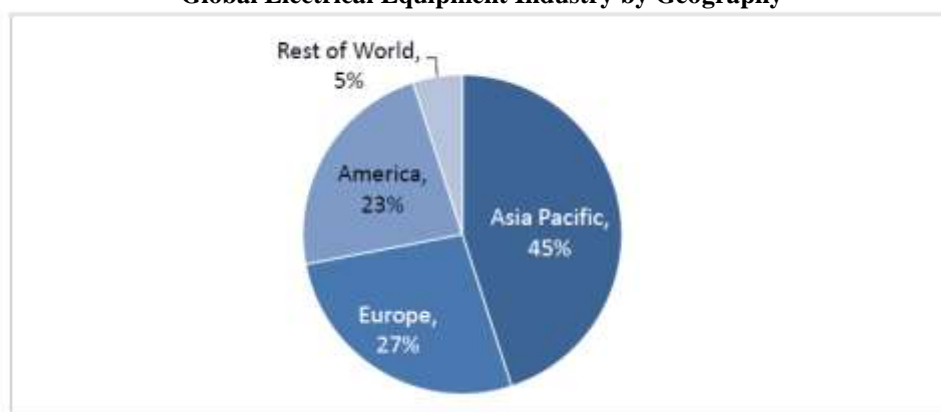
imports, particularly from China in the area of power plant equipment, engineering, procurement and construction services and substation contracts, including in areas of power generation turbomachinery, HT switchgear, MCBs and lighting products.

Global electrical equipment industry

Increasing ecological concerns and stringent governmental regulations in respect of pollution, globally, power generation companies are exploring opportunities for clean energy power generation such as wind energy, solar energy and hydro energy. This has led to an increase in demand for electrical equipment such as turbines, power cables, generator and sets. One of the major growth drivers for the market is the increasing demand for electrical equipment from the power generation industry. The power industry in the Asia Pacific aims at increasing its generation capacity, which in turn has resulted in increased investment in electrical equipment.

Major participants in the global electrical equipment industry include General Electric, ABB Limited, Siemens AG, Schneider Electric and Eaton Corporation.

Global Electrical Equipment Industry by Geography



(Source: Frost & Sullivan Report)

Electric equipment exports from India

The value of India's export of electrical equipment was approximately USD 540 million in fiscal 2015, which contributed to less than 1% of the global trade in electrical equipment. The power sector is a sunrise sector across the developing world presenting a significant potential for India to tap export markets. It is estimated that India's export of electrical equipment will reach USD 25 billion over the next decade and approximately 5% of the global trade in electrical equipment. Over the years, the Indian electrical equipment industry has developed a diversified, mature and strong manufacturing base, with a robust supply chain and rugged performance design of products. Globally, brand India presents a huge opportunity and hence, it is imperative to promote the growth of exports of electrical equipment. Further, manufacturers need to move up the value chain to be able to cater to technologically superior products and value added services, with focus on research and development.

A market diversification strategy based on the changing dynamics of growth in the world economy is necessary to sustain growth of exports. The industry should rethink its market strategy and focus retaining presence and market share in existing geographies, moving up the value chain in manufacturing quality products, as well as, exploring and penetrating new and emerging markets. Presently, however, the Indian electrical equipment industry needs governmental support including through policy changes, export financing, taxation, marketing, amongst others.

The major export markets for Indian electrical equipment are the United States, Germany, the United Arab Emirates, the Kingdom of Saudi Arabia, France, the United Kingdom, Nigeria, China, Kenya and Brazil evidencing quality of India manufactured electrical equipment. Further, the Indian electrical equipment industry is focussed on increasing exports to countries in Africa, the Commonwealth of Independent States, Latin America, and Association of Southeast Nations.

T&D Equipment industry



T&D Equipment contributes to approximately 72% of the entire market for electrical equipment in India. While, the Indian T&D Equipment industry is highly fragmented comprising primarily of small and medium enterprises, the industry is dominated by select domestic and multinational participants. Further, India is unable to cater to the domestic or global demand for T&D Equipment, resulting in significant volume of imports. Additionally, India has a significant presence of unorganized market players across its electrical equipment industry value chain, characterized by low/sub-standard market offerings, grey market interests and regional presence, due to the absence of stringent industry regulations and certifications. Unorganized market players have been particularly prominent in the LT electrical equipment segments such as domestic wires, LT switchgears, and lighting products. However, the growing awareness on safety and product standards continues to contribute to a decline in their market share.

Electricity Energy Meters

Electricity energy meter is a device that measures the amount of electric energy consumed by a residence, business, or an electrically-powered device. Electricity meters may be used by utilities to bill power consumers. Meters typically include (a) a metering device, which is used to measure the flow of electric power, (b) a display, which is used for displaying readings of the parameters that are being metered and (c) communication, which is present in modern electricity meters, which is used for one-way or two-way communication of information with the billing utility.

Electricity energy meters can broadly be classified into (a) tariff meters, (b) panel meters, (c) prepayment meters and (d) smart meters.

- (a) *Tariff meters*: used mainly for billing and revenue collection and are further classified into electronic, tri-vector meters and availability based tariff meters.
- (b) *Panel Meters*: used for monitoring and automation for a larger set-up, which involves an integration of heavy and light machinery and are classified as KWH meters, dual source meters, and multi-function meters. The primary applications of panel meters include energy monitoring and billing and revenue generation. Further, they are increasingly being used as part of energy management solutions, where the meter is used to measure energy consumption, to monitor and improve energy efficiency.
- (c) *Prepayment meters*: they are usually a tariff meter with add-on features of code validation and alert system. Such meters require upfront payment for electricity and help utilities in ensuring steady cash flows against the electricity delivered by them.
- (d) *Smart meters*: comprise first-generation smart meters or AMR meters and second-generation meters or AMI meters. AMR meters provide for self-health check of the meter, data communication using secure and open standard protocols, periodic upgrade of meter software remotely over the transmission network, multi utility metering capabilities, consumption data acquisition and demand management and control. Comparatively, AMI meters provide for effecting utilisation and management of metering data, automatic management of meters, two-way communication with meters, demand response capabilities and further provides data to implement energy efficiency practices.

Market overview

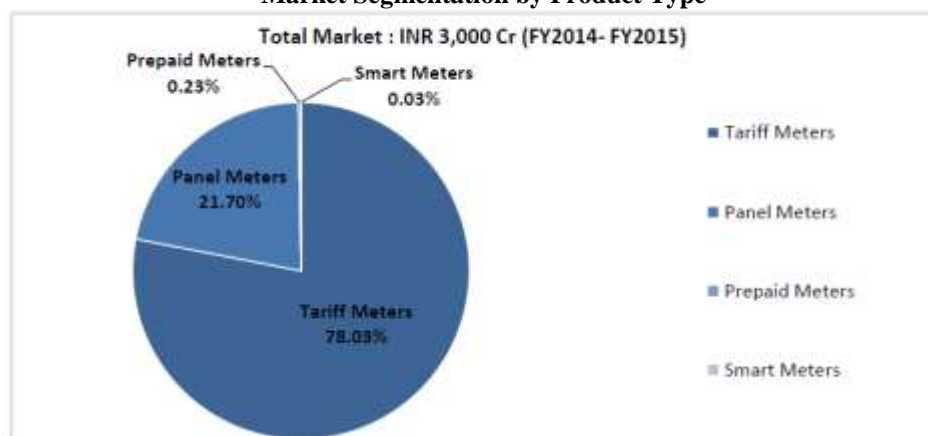
The market for meters in India was estimated to be ₹ 3,000 crore in fiscal 2015, with organised participants contributing to over 80% of the total market. There has been a continued and visible shift from demand for traditional meters to demand for metering solutions, which helps in energy management as compared to mere monitoring and billing functionalities.

Major consumer segments for meters in India are (a) public and private power utilities for residential and grid metering; (b) conventional and non-conventional captive power plants; and (c) industries and commercial establishments. Public and private power utilities are mostly consumers of tariff meters, captive power plants consume panel meters, and industries and commercial establishments consume panel and smart meters, based on their requirement. Few developers of residential buildings, however, provide prepaid meters residents, which are directly purchased by developers and installed at such residential buildings.

Demand for electronic meters dominates the market for meters and will continue due to replacement market for electrochemical and old meters and orders from power utilities. Of this, power utilities account for nearly 90% of

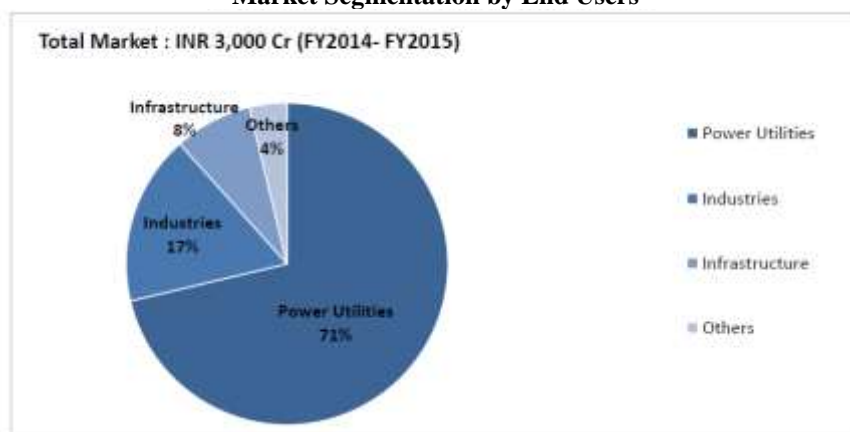
the revenue generated from sale of tariff meters. In fiscal 2015, the industrial segment was the largest consumer of panel meters, power generation companies for tri-vector meters and commercial establishments for electronic meters. With increasing focus on reliability and accuracy, the contribution from these segments is likely to witness an upward trend.

Market Segmentation by Product Type



(Source: Frost & Sullivan Report)

Market Segmentation by End Users



(Source: Frost & Sullivan Report)

Prepayment meters have recently seen steady growth as more power utilities are installing them to increase consumer visibility in terms of load patterns and to reduce the percentage of under-recovered revenue. While in developed countries prepayment meters are considered to be tariff meters, in the India they are considered as smart meters and are considered as the first step towards establishment of smart cities and smart grid projects. Smart grid pilot projects are under implementation mostly in the southern and western parts of India although, northern and eastern states also have some ongoing pilot projects.

Historic trends and future estimates

Market Revenue Forecast



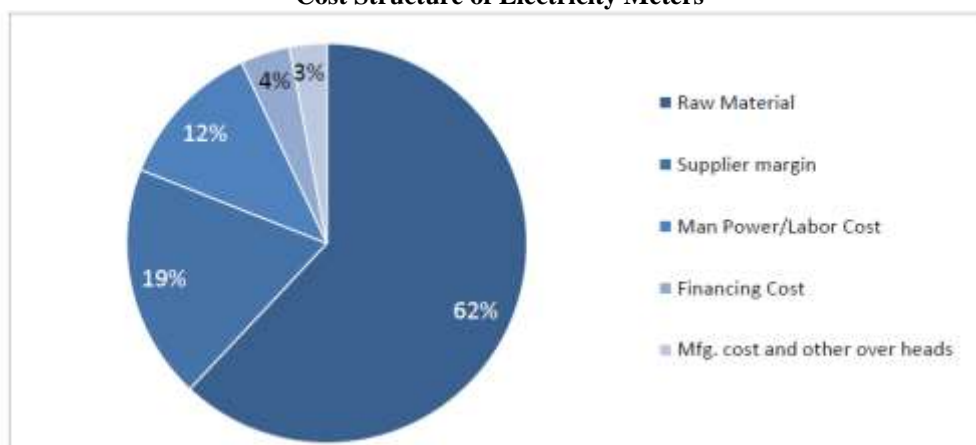
(Source: Frost & Sullivan Report)

During 2016-2020, the overall market for electricity meters is expected to grow at a CAGR of 11.5%, with prepayment meters expected to grow more than the overall growth rate, at a CAGR of 15.1%, and smart meters expected to grow at a CAGR of 5.3%. However, the market for meters is expected to witness explosive growth subsequent to 2022, when the proposed civil works for smart cities and smart grids will near completion, paving way for a robust demand for smart meters. Particularly smart meters is expected to see a double digit growth once bottle-necks surrounding the smart grid projects are cleared.

Additionally, due to various initiatives of the Government for efficient utilization of present generation capacity, such as the 'perform, achieve and trade scheme' for high energy consuming industries, panel meters are expected to witness nearly a 12% growth, coupled with energy efficient solution systems. Renewable integration and energy management practices will also fuel the growth of panel meters during 2016-2020.

Cost structure

Cost Structure of Electricity Meters



(Source: Frost & Sullivan Report)

Raw material constitutes 62% of the entire cost of manufacturing electricity meters, although this ratio may vary from company to company, based on the consumption mix of indigenous and imported raw materials. Manpower cost remains almost the same for the top participants in the market. Manufacturing cost constitutes 3% of the total



cost, including electricity, power and fuel charges, cost of repairs to machinery, expenditure on research and development and other miscellaneous expenses. While costs may increase, there are instances when manufacturers and suppliers are forced to reduce the prices of meters on account of competition. This is resulting in manufacturers transforming into metering solution providers to increase margins.

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Acceptance of Technology	High	High
Cost and price pressure	High	Medium
Threat from imports in the tariff meter segment	Medium	Low

Acceptance of Technology: Manufacturers as well as consumers have been reluctant to accept and utilize the technology available with them to its potential, as this meters have traditionally been considered to be a plug-and-play devices. While recent trends show companies investing in technology integration using the metering and control unit system to connect all source and termination points of electricity, the systems continue to remain non-operational. It is imperative to educate stakeholders regarding benefits of newer technologies and incentivizing them to utilize such technology.

Cost and Price Pressure: The market for low-end single and three-phase meters is dominated by participants focusing on tenders from power utilities and are capable of supplying meters at competitive prices. Consequently, organized market participants with higher overhead costs face pricing pressures to match the L1 bids of such unorganized participants. The pressure on such participants for reducing prices to sustain business deters the market from growing to its actual potential.

Threat from imports in the tariff meter segment: Foreign manufacturers with capabilities to supply meters at competitive prices take advantage of the L1 based bidding process of power utilities, thereby impacting domestic players, particularly in the tariff meter segment.

Market growth drivers

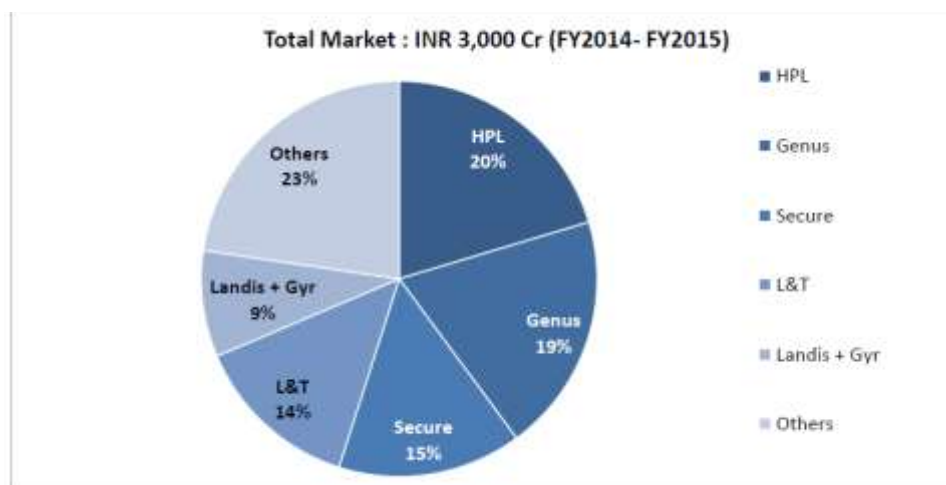
Government initiatives: Initiatives of the Government such the Deen Dayal Upadhaya Gram Jyoti Yojna and Integrated Power Development Scheme are expected to give impetus to the meter market. Further, the UDAY scheme is expected to aid growth in the power sector, though conservative figures were taken considering the acceptability of this scheme by Indian states. The scope of work under these initiatives includes rural electrification, monitoring of distribution transformers, setting up of new grid and substations and setting up of metering infrastructure.

GoI's "Make in India" campaign and growth in renewables: Growth of the industrial segment at 7% is expected to boost demand for power, thereby increasing demand for panel meters. Further, the increase in renewable energy generation has created a market for net meters and availability based tariff meters. Additionally, advent of energy trading and feed-in tariff of renewable energy (currently at a nascent stage) is also expected to create an additional market for meters in India.

Competition

The key participants in the market for meters are our Company, Secure Meters Limited, Genus Power Infrastructures Limited, Larsen & Toubro Limited and Landis+Gyr, contributing to approximately 79% of the market for meters in India.

Market Segmentation by Suppliers



*Others include: Schneider Electric, Bentec Electrical & Electronics Ltd., Holley Meters India Pvt. Ltd., Elmeasure etc.

(Source: Frost & Sullivan Report)

Our Company was the market leader with a 20% share in the market for meters in India, followed by Genus Power Infrastructures Limited with 19% market share, in fiscal 2015. Leading global market players such as Itron and Lester Inc currently have small market share, but are expanding operations in India to capture larger shares in the market for meters.

The threat from imports persists primarily in the tariff meter segment, where state power utilities opt for the lowest bidder. However, in the panel meter segment, imports do not pose a major threat as this segment demands reliable and robust products.

LV Switchgears

Switchgear is defined as an assembly of switching and interrupting devices, providing control, metering, protection, and current regulating applications. The primary components of a switchgear include switching and interrupting devices that are used for turning the power on or off, control devices, used for checking and/or regulating the flow of electric current, metering devices, used for measuring the flow of electric current and protective devices, used to protect power service from interruption and prevent or limit damage to equipment.

Set forth below are the primary types of LV switchgear.

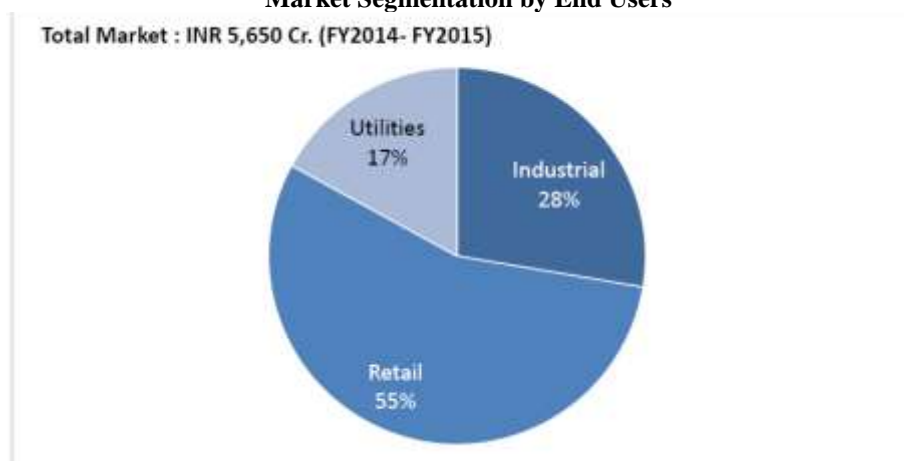
- (a) *Air circuit breaker*: these are circuit protection devices with air as the insulating medium. They are used when there is a need for high ampere ratings.
- (b) *MCCBs*: these are circuit protection devices, whose current carrying components, mechanisms, and trip circuits are completely enclosed within a molded case of insulating material.
- (c) *Changeover switches*: these are meant to move a circuit from one set of connections to another.
- (d) *Contactors and relays*: A contactor is a type of relay that can handle high power required to directly drive an electric motor and a relay is an electrically operated switch, used where it is necessary to control a circuit by a low-power signal or where several circuits must be controlled by one signal.
- (e) *MCB*: is a small trip-switch operated by an overload and is used to protect an electric circuit, especially, in a domestic circuit as an alternative to a fuse.
- (f) *Residual current devices*: they monitor residual current and switch off the circuit quickly if it rises to a pre-set level and can be broadly classified into earth leakage circuit breaker and residual current circuit breakers.
- (g) *Distribution board*: it is a component of an electricity supply system, which divides an electrical power feed into subsidiary circuits, while providing a protective fuse or circuit breaker for each circuit in a common enclosure with a main switch.

Market overview

The LV switchgear market for fiscal 2015 was estimated to be ₹ 5,650 crore, and witnessed a moderate growth of 3.8% over the previous fiscal. The market is dominated by multinational companies that have domestic manufacturing capacities. Imports, particularly those from China and Korea, are less prevalent in this industry. Of the entire Indian market for LV switchgear, northern India accounts for approximately 34%, primarily driven by significant development in the industrial segment and power infrastructure. Southern, western and eastern India accounted for approximately 29%, 26% and 11% of the Indian market for LV switchgears.

The market for low margin LV switchgear products, such as switching devices and distribution boards, is largely unorganized, comprising several local and regional participants as these products are not technologically intense products. Increasingly, however, technologically superior products such as circuit breakers and automatic switches are capturing the demand for changeover switches and switching devices. Further, new products such as motor protection circuit breakers, which are almost completely imported by multinational companies, are gaining popularity among consumers, primarily due to their augmented features, replacing relays in certain applications.

Market Segmentation by End Users

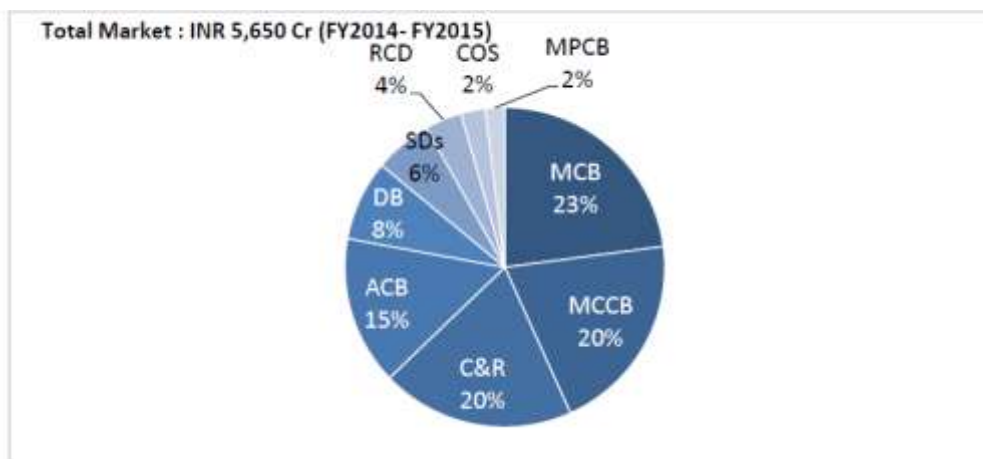


(Source: Frost & Sullivan Report)

The industrial segment contributes approximately 28% of the entire market for LV switchgear with demand across all product segments. The retail segment mainly includes developers of residential and commercial projects and other commercial establishments, with increasing demand primarily for modular switchgear such as MCBs, residual current devices and distribution boards due to growing awareness among customers on use of protective devices. Demand from power utilities and consumers of infrastructure projects however, have decreased due to reduced public sector investments.

The LV switchgear market primarily depends on the growth of end-user segments. The segment comprising residential and commercial development are expected to witness positive growth, whereas the segment comprising industries and power utilities are expected to show resilience on account of low capital expenditure and investment in the near term. Growth for all products, except MCCBs and modular devices, has been slow over the last two years.

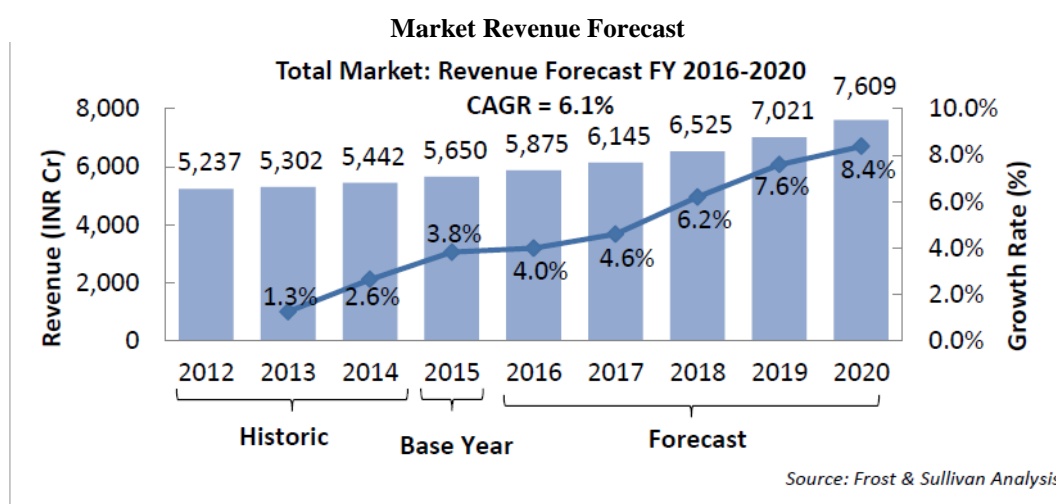
Market Segmentation by Product Type



(Source: Frost & Sullivan Report)

The market for LV switchgear can be broadly classified into three segments (a) power gear, (b) control gear, and (c) final distribution products. Of these, MCBs have the highest market share of approximately 23% on account of their growing demand and popularity in the residential and commercial segment, followed by MCCB with approximately 20% market share.

Historic trends and future estimates

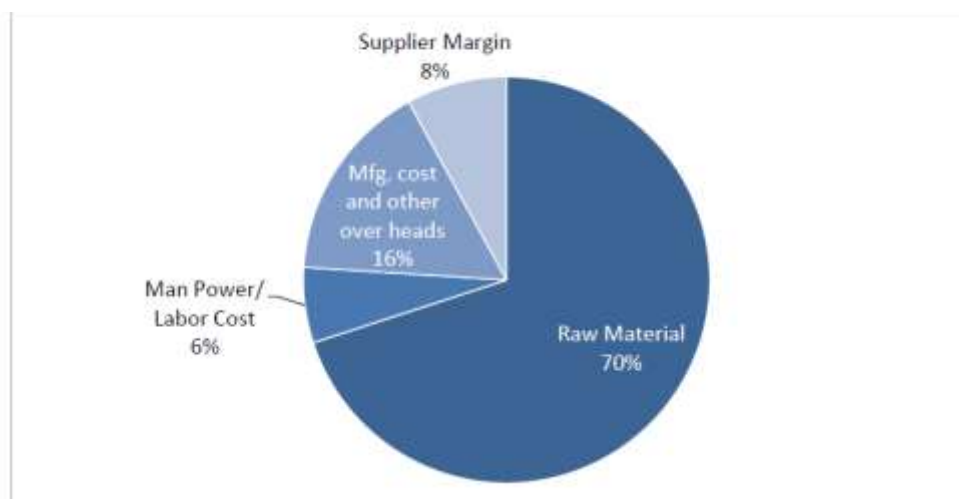


(Source: Frost & Sullivan Report)

The market for LV switchgear is expected to grow at a CAGR of 6.1% during 2016-2020 and is expected to reach ₹ 7,609 crore by 2020. Growth in this market has been restricted on account of factors including unfavourable market sentiments, fueled by uncertain economic conditions, general industry slowdown, muted investment cycle and slowdown in investments across infrastructure projects and projects involving power utilities. Market players catering to the industrial segment have expanded their product portfolio to include modular switchgear devices increasing their reach to capture the residential market. Further, manufacturers of wires and cables continue to enter the market for modular switchgear devices enabled by sales and distribution synergies.

Cost structure

Cost Structure of LV Switchgear Products



(Source: Frost & Sullivan Report)

Raw material constitutes around 70% of the aggregate cost of production of LV switchgears and copper, steel and silver are the key raw materials used therein, constituting almost 75% of the total raw material cost. Manufacturing cost includes factory expenses, power and fuel, repair and maintenance. The margin may vary from manufacturer to manufacturer, depending on the production capacity, the market segment catered to (premium, mid-premium or economy) and the brand under which the manufacturer sells its product.

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Low budget allocation for electrical equipment during project planning	Low	Medium
Increasing Pricing Pressures Due to High Competition	Medium	High
Uncertainty and delays in implementation of various power reform programs / initiatives	Medium	Medium

(Source: Frost & Sullivan Report)

Low budget allocation during project planning: Budget allocation for electrical equipment at the planning stage is usually absent resulting in last minute purchases of electric equipment. This is further fueled by constrained budgets, resulting in consumers choosing low-technology, low-priced LV switchgear components.

Increasing pricing pressures due to high competition: The Indian market for LV switchgear is competitive, particularly for volume-driven products such as MCBs and MCCBs, making it difficult for multinational companies to sustain their market share with decreasing profit realization. The increasing pricing pressure coupled with fluctuating raw material prices and imports from other Asian countries is acting as a deterrent to market growth as per its actual potential.

Uncertainty and delays in implementation of various power reforms: Delays in the evaluation and approval procedures at the implementation stage create uncertainty and lack of confidence in private investors, resulting in creation of artificial demand periodically, with manufacturers confronting irregular and bunched demand. This results in overbooked factories, further delays and makes the production planning process excessively challenging.

Key growth drivers

Revival of the industrial segment: Improvement in the performance of industries, declining inflation, increasing demand, particularly from the residential segment, announcements in the 2015 Union Budget to address the structural issues plaguing industrial and infrastructure sectors, collectively, are expected to benefit the manufacturing sector. Additionally, the Government of India's focus on initiatives such as 'Make in India', is

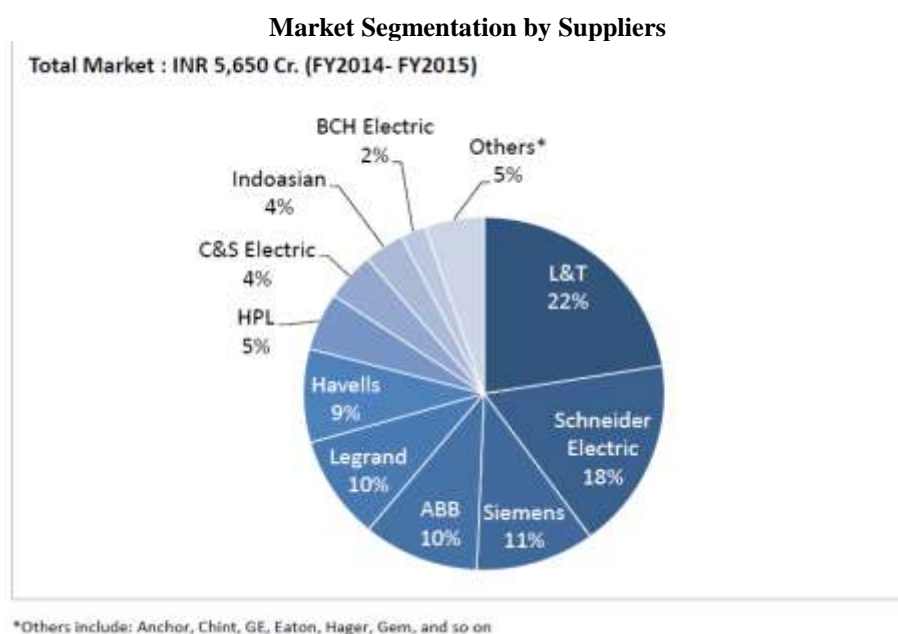
expected to further propel manufacturing and industrial segment growth. These factors are expected to translate into the increased demand for LV switchgears from the industrial segment.

Growth in the residential segment: Policy reforms such as allowing 100% foreign investment in the real estate sector, tax benefits for foreign investors, focus on establishment of smart cities are expected to contribute to the growth of the residential segment at 30% over the next decade. Further, the increasing urban population with expectations to cross 590 million by 2030, and growing household income are some of the major factors that influence demand for residential real estate. Moreover, increasing construction tier-II and tier-III cities and increasing awareness among end users for protective devices in these cities are expected to have a positive impact on the LV switchgear market over the medium to long term.

Government initiatives and reforms for expansion and development of the transmission and distribution network and power capacity augmentation: Significant investments of the Government of India towards power distribution with the objective of increasing access to reliable power supply and to reducing AT&C Losses, including through schemes such as Deendayal Upadhyaya Gram Jyoti Yojana and Restructured Accelerated Power Development and Reform Program, besides modernization of the existing network will provide boost demand for LV switchgear products. In addition, plans to add an additional generation capacity under the 12th FYP, will subsequently increase the requirement for evacuation devices for the additional power, driving demand for LV switchgears in India.

Increased demand from the renewable energy segment: Government incentives, favorable foreign investment policy and vast untapped potential of renewable energy will drive renewable energy generation in India. The renewable energy market has grown from about 12 GW in 2008 to 28.2 GW in 2013, growing at approximately 16% per year and this growth is expected to sustain at current or higher levels during the 2016-2020 period. As a result demand for LV switchgear, especially for MCCB and MCB products, is expected to increase significantly.

Competition



(Source: Frost & Sullivan Report)

The market for LV switchgears is highly competitive and there are more than 40 participants operating in this market and dominated by multinational companies with domestic manufacturing capabilities. Competition from unorganized market participants is restricted to a few products like switching devices and distribution boards due to low technology intensity. For the larger part of the market, the LV switchgear industry is comprised of organized participants.

Significant market players include Larsen & Toubro Limited, Schneider Electric and ABB Limited, which have a presence across all consumer segments. In comparison, Siemens AG has a strong presence in the industrial segment and among power utilities relatively low prominence in the residential segment. Participants such as Havell's India Limited, Legrand India Private Limited and Anchor Electricals Private Limited have a presence



primarily in the residential and commercial segments. These market participants are entering new product verticals with a view to increase their market share in the industrial segments and among power utilities.

Larsen & Toubro Limited is the market leader for LV switchgear in India with a market share of 22% , followed by Schneider Electric with approximately 18% market share. At nearly 50% share of the entire market for changeover switches, our Company is one of the oldest manufacturers of LV switchgear in India. Our Company enjoys significant brand recall and customer loyalty and have increased our presence across other switchgear products in the industrial and residential segments.

Lighting- LED (Light Emitting Diode)

LED is a two-lead semiconductor light source, which emits light when activated. This effect is called electroluminescence and the colour of the light is determined by the energy band gap of the semiconductor. LEDs find application in environmental and task lighting, with several advantages over incandescent light sources including lower energy consumption, longer lifetimes, improved physical robustness, smaller sizes, and faster switching.

LEDs are now used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, camera flashes, and even LED wallpaper. However, LEDs also find applications in various forms across industries, including automotive lighting, railway signals, backlighting, displays and signage and medical appliances.

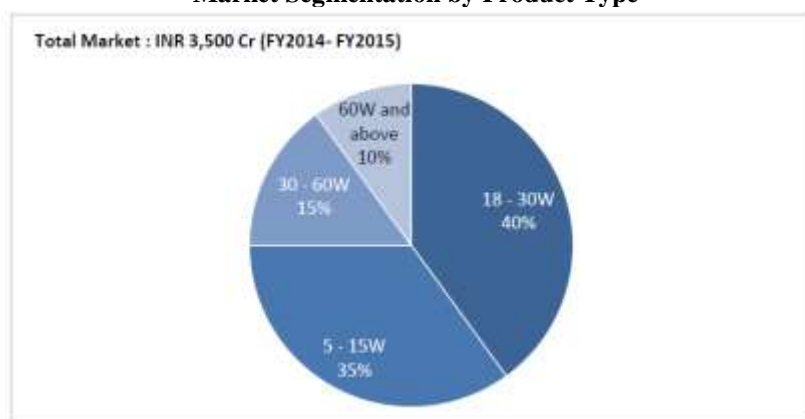
LEDs may be broadly classified into three categories, (a) miniature LEDs, used as indicators, (b) mid-range LEDs, used in light panels, emergency lighting, auto tail lights and (c) high-power LEDs, used for lighting purposes. LEDs for lighting applications constitute the major market, although LEDs are also used in various forms across industries such as automotive lighting, railway signals, backlighting, displays and signage and medical appliances.

Market Overview

The global LED lighting market is expected to cross revenues of ₹ 150,000 crores in fiscal year 2015 with a market penetration of over 30% in the overall general lighting market space. The global LED lighting market is likely to grow at a CAGR of over 40% until 2020.

Large scale promotion of energy efficiency by the Government has fuelled growth of the LED market in India, resulting in the residential segment adopting LED lighting, which offer higher energy savings of around 60-75%, as compared to older technologies namely, CFL, incandescent, metal halides or sodium vapour lamps. However, adoption of LED lighting varies across the different consumer segments. The MoP expects to save 10,000 crore units of electricity (or ₹ 50,000 crore) attributable to use of LED lights by 2016.

Market Segmentation by Product Type

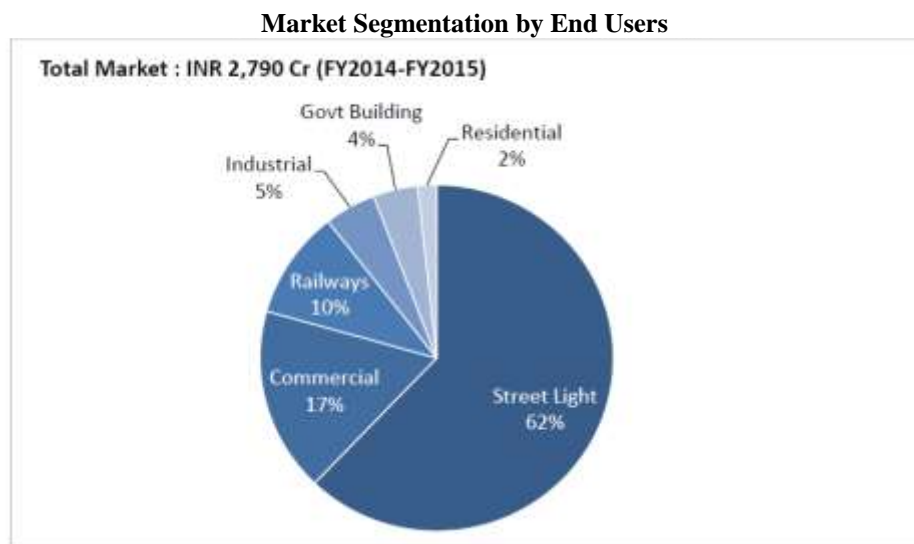


(Source: Frost & Sullivan Report)

Due to the low domestic manufacturing capabilities, over 75% of LED lighting products are imported and the remaining 25% accounts for low value-add assembly activity. More than 10% of the LED lights assembled in

India are exported to countries like Europe, the United States, Australia, Asia-Pacific, the Middle East, Latin America and South Africa.

To develop a viable industry of energy saving companies (“ESCO”) and to facilitate implementation of energy-efficient projects, the MoP has set up the Energy Efficiency Services Limited (“EESL”), a joint venture of NTPC Limited, Power Finance Corporation of India Limited, REC Limited and Power Grid Corporation of India Limited. EESL has been instrumental in implementing street lighting projects with various municipal corporations and running a demand side management based Efficient Lighting Program (“DELP”) in the domestic residential segment with various power utilities in India. Several lighting companies in India participate in tenders floated by municipal bodies individually or by partnering with ESCO. Further, there has been a rise in funding LED street lighting projects by public and private companies as part of CSR initiatives.



(Source: Frost & Sullivan Report)

Street lighting, accounting for 62% of the LED market in fiscal 2015, is likely to remain the dominant segment driving demand with Government funding as the key growth driver. Use of LEDs in railways is already underway with signals, station lighting, coach lighting, tunnel lighting, etc. being converted from metal halides and CFLs and sodium vapour lamps being converted to LED lights.

Commercial application of LED in malls, corporate offices, retail spaces, office complexes, hotels/restaurants, and airports has seen increasing demand due to growing interest in star rating lighting technology and attaining green building status, urgency to reduce electricity expenditure, higher spending capability and quicker decision-making process. Further, the industrial segment is adopting LEDs to reduce energy cost and increase efficiency. The residential segment accounts for only 0.4% of the market presently, mainly due to the lack of user awareness and relatively high prices of LEDs.

Historical trends and future estimates

The growing interest in newer technologies and solutions, increasing awareness created by LED suppliers through product promotion and advertising is expected to increase adoption of LEDs.

Market Revenue Forecast

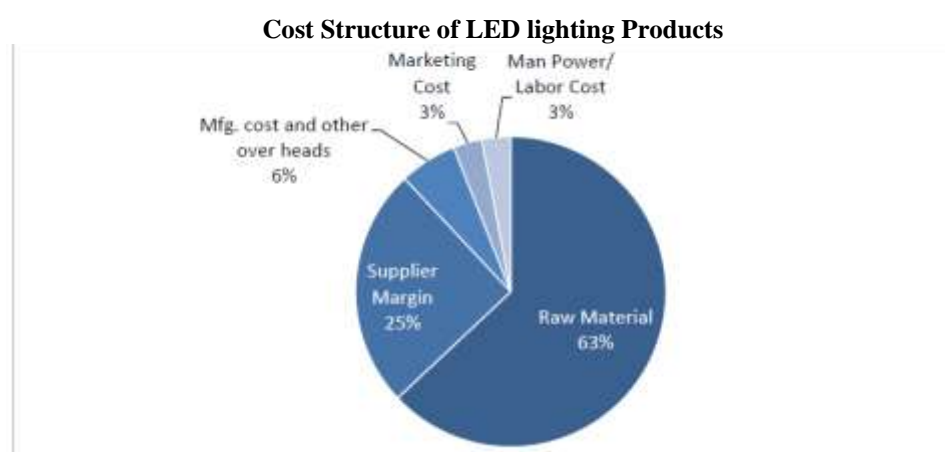


(Source: Frost & Sullivan Report)

The Indian LED lighting market is expected to reach ₹ 31,010 crores in 2020, growing at a CAGR of 62% between 2016 and 2020. The market includes the entire LED assembly including drivers, heat sinks, thermal conductive materials, adhesive, sealant and housing. Growing awareness, increasing media promotion, and the Government of India's increased interest in converting existing street lights into LED is expected to increase demand for LEDs in coming years. Further, the deteriorating power situation across the country and limited budget allocation for starting power projects have directed the Government's focus towards 'energy conservation and efficiency'.

Moreover, growing interest in intelligent and smart lighting is expected to change market dynamics with the announcement for the establishment of smart cities, which will increase demand for LED lighting, based on intelligent and connected infrastructure. Further, under the 'Make in India' initiative, 100% foreign investment under the automatic route has been permitted in construction, operation, and maintenance in specified rail infrastructure projects, which is expected to fuel demand for LED products for local consumption.

Cost Structure



(Source: Frost & Sullivan Report)

The top three core components, (a) LED chip, (b) drivers and (c) optics, are imported from China, Korea, and Taiwan. Raw material constitutes around 45% of the total cost of production of LED lamps. The driver costs another 10-15%, taking the total component cost to 63%. Manufacturing cost includes factory expenses, power and fuel, repair and maintenance. The margin, which varies presently between 25% and 28%, varies among lighting companies. With the enforcement of standards in India, the differential in margins is expected to decrease.

Key industry challenges and their impact on market dynamics



Industry Challenges	1-2 Years	3-5 Years
Lack of economies of scale hinders local manufacturing	High	Low
High initial investment and prevailing economic conditions	Medium	Low
Uncertainty and delays in implementation of various programs / initiatives announced till date	Medium	Low

(Source: Frost & Sullivan Report)

Market Growth Drivers

Growth Drivers	1-2 Years	3-5 Years
Decline in the Average Prices of LEDs	High	High
Government measures and initiatives improve market demand and manufacturing ecosystem	High	High
A Growing economy demanding better infrastructure will push LED demand	Medium	High

(Source: Frost & Sullivan Report)

Decline in the Average Prices of LEDs: LED as a technology has seen the sharpest fall in its product pricing owing to continuous and extensive research and development carried out by major chip, packaging, and lighting product manufacturers across the globe. Moreover, LED companies are trying to reduce their dependence on China for the sourcing of critical raw materials, such as rare earth elements, by substituting them with alternate light-weight metals.

Government measures and initiatives improve market demand and manufacturing ecosystem: The Government has announced policies such as the Modified Special Incentive Package Scheme to encourage and subsidize investment in indigenous value addition. The Bureau of Energy Efficiency (“BEE”) and EESL, working with electricity distribution companies, have developed a business model to sell subsidized LED lights to households at ₹ 10 against the market retail price of approximately ₹ 400. All existing Government schemes to distribute CFL lamps are being modified for distribution of LED lamps. The Government of India has been making efforts to adopt LEDs for street lighting in key cities and also for architectural lighting applications for national monuments. The Ministry for Renewable Energy, Government of India and the BEE for municipalities and local bodies have also been driving initiatives such as distribution of solar LED lanterns in villages to promote energy-efficient lighting in the country.

A growing economy demanding better infrastructure will push LED demand: The Indian infrastructure sector is projected to grow at a CAGR of 5-7% over the next five years, which is expected to result in the need for better infrastructure facilities, resulting in a push for the LED market due to savings in electricity bills. All new constructions and renovation carried out in the hospitality segment have already made the move to LED.

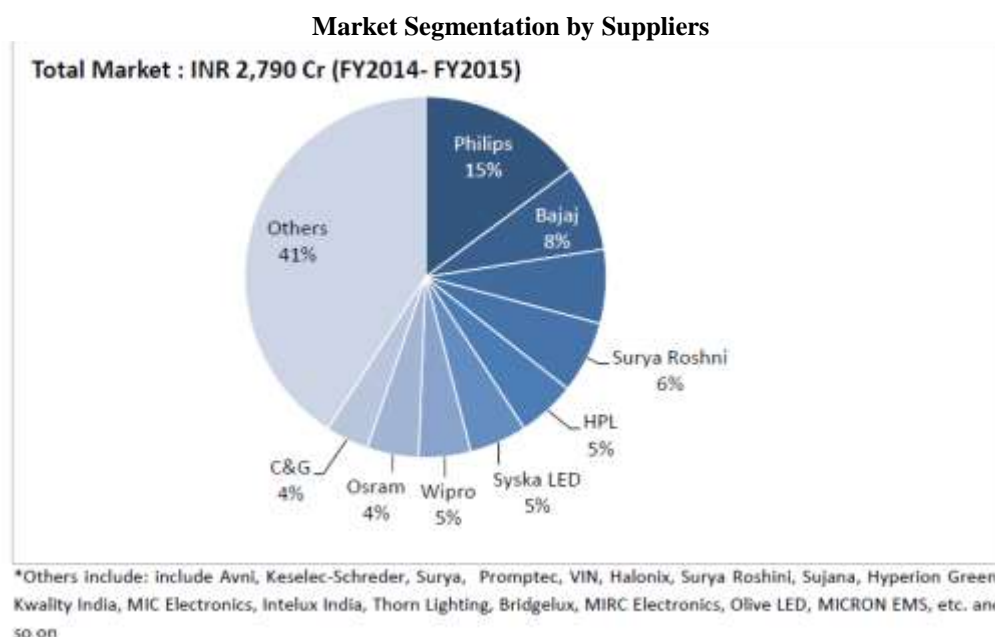
Use of Smart and Intelligent systems using LEDs is on rise: LED as a technology has led to a paradigm shift in the functioning of the lighting systems in today’s world. By incorporating sensors and controls, these lighting systems can be made to ‘sense and feel’ and be more ‘intelligent’, thereby, bringing down the energy costs of a building by at least 75%.

Competition

With over 350 participants comprising OEMs, traders, assemblers and importers, operating in the market, the Indian LED lighting market is highly fragmented and competitive in nature. While the traders and importers import the final product as is it, the OEMs, (i) get the components imported and assembled in-house or through the contract manufacturers; and (ii) import the final product in select cases where the product is supplied to premium projects / customers. Expansive product portfolios, indigenous design and development capabilities, well-entrenched distribution set-ups, cost-effective supply channels, and exposure to all application segments are some of the crucial success factors for suppliers.



With growing demand the prices of LED lighting products have been declining over the last two years, thus companies such as Philips, Wipro, Havells, Bajaj and our Company are focusing on LED lighting products to cater to the growing demand. A large part of the existing business model of conventional lighting companies includes outsourcing of LED manufacturing activities to pure-play LED lighting companies. The range of contract manufacturing varies between 50% and 100%. Market consolidation has already started with Wipro Enterprises acquiring Vignani Solutions Private Limited in March 2014.



(Source: Frost & Sullivan Report)

Philips continues to be the market leader for LED lights in India. Other significant companies include Surya Roshni, Bajaj, Havell's, our Company, Wipro, C&G, which are presently focusing on extending their LED portfolios and in-house manufacturing of LED products. Pure play LED lighting companies are concentrating on increasing their foothold through varied marketing and distribution strategies such as endorsements by celebrities.

Lighting CFL

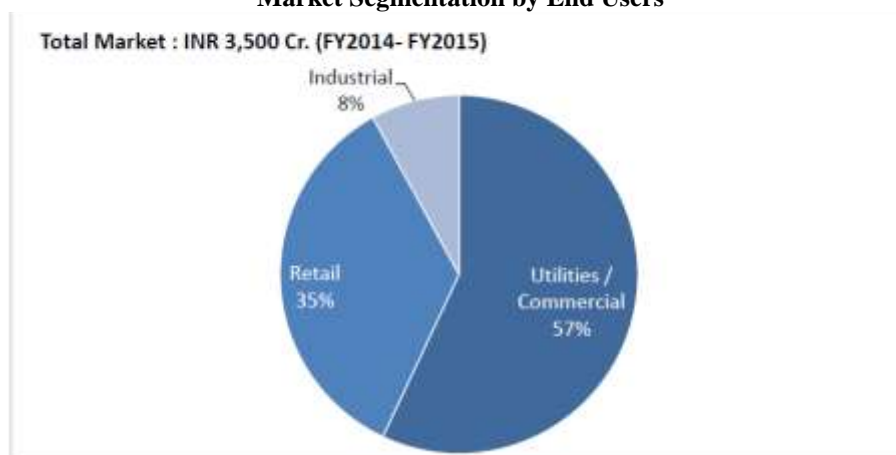
CFLs generally use a tube, which is curved or folded to fit into the space of an incandescent bulb and compact electronic ballast in the base of the lamp. CFLs use one-fifth to one-third the electric power and last eight to 15 times longer than incandescent lamps. CFLs are available in wattages ranging from 5 W to 83 W in the Indian market.

Market Overview

The CFL market in India was estimated at ₹ 3,500 crores during fiscal 2015. The market witnessed a growth to the rate of approximately 6% as compared to fiscal 2014. A widespread increase in adoption of LED across various lighting applications has brought down growth prospects of CFLs in India, they are preferred over incandescent lamps. India has over 60 domestic companies operating in the CFL market, with organized participants accounting for 45% of the market, and the unorganized segment dominates with 55%. Over 80% of the CFLs manufactured in India are locally consumed and the rest are exported to countries like the Philippines, Indonesia, Vietnam, Sri Lanka and Malaysia.

Since 2004, several initiatives of the Government and other industry bodies like Electric Lamp and Compact Manufacturers Association of India, were taken to rapidly increase adoption of energy efficiency lamps like CFL. Government schemes like the 'Bachat Lamp Yojana' by the BEE have also played a role in increasing the penetration of CFLs. In recent years, CFLs are losing market share to LED, which is penetrating faster in the India market mainly due to its higher energy efficiency standards and increasing awareness.

Market Segmentation by End Users



(Source: Frost & Sullivan Report)

CFLs have almost completely penetrated the commercial market and majority of the companies are focusing on this segment. Most companies have strong project sales teams to support their sales to commercial segments. Retail sales largely cater to retrofit demand for the commercial sector and for new demand from households. There are close to 2.0 million retail points in India selling CFL lamps, all international and local brands have strong distribution and channel networks to cater to diverse class of customers across different geographies.

Historical trends and future estimates

It may be forecasted that the increasing penetration of LED among urban centers and in high-end retrofit markets demand having an adverse impact on the long-term growth potential of CFL in India. The increasing real estate and construction development in country, which act as demand centers for CFL and penetration of CFL as a retrofit option, especially in the rural regions of the country, have a positive effect on the growth of the industry. Further, macro and socio-economic factors like increasing GDP, increasing cost of power, awareness about need to reduce power consumption, availability of products, and ease of usage are considered while projecting the growth of CFL market in India.

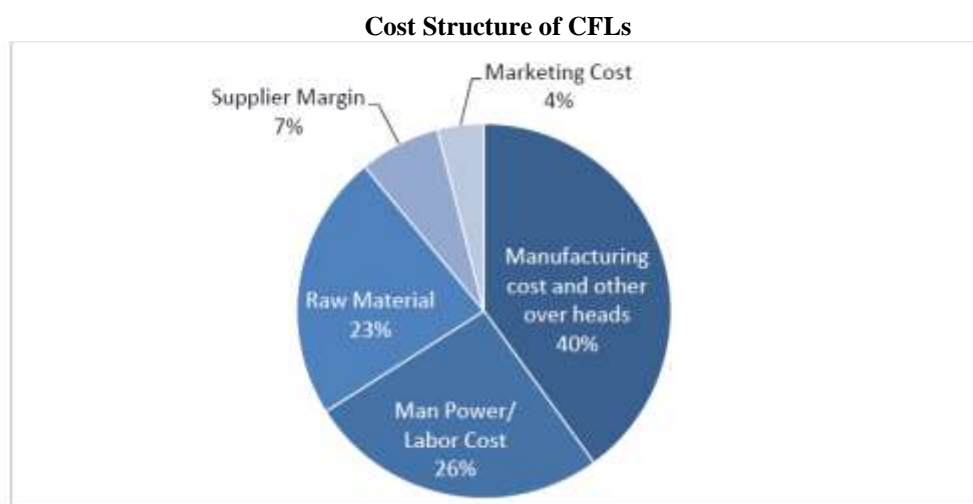
Market Revenue Forecast



(Source: Frost & Sullivan Report)

Cost Structure

Manufacturing cost and other overheads constitute roughly 40% of the total cost of CFLs. Suppliers earn a margin of around 10%, while many domestic participants earn less than 10%. Most established companies on an average spend 4-5% of their top line on marketing and promotional expenses. Several small-scale Indian firms spend less than 3% on marketing activities as they cover small geographies.



(Source: Frost & Sullivan Report)

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Low quality imports from China a stiff challenge for domestic suppliers	Medium	Low
Increasing market share of LEDs challenging CFL growth	High	High
Stricter regulations for quantity of mercury, as well as for proper end of life disposal for CFLs	Medium	High

(Source: Frost & Sullivan Report)

Increasing market share of LEDs challenging the growth of CFLs: LEDs are gaining more prominence as compared to CFLs, especially in urban regions of India on account of their affordability and awareness. Affordable cost of LEDs and the ease of availability of such technology makes it a more attractive option. Further, unlike CFLs, LEDs do not contain harmful substances like mercury, making its end-of life disposal easy and environment-friendly. Organizations like Electric Lamp and Component Manufacturers Association of India (“ELCOMA”) and other government bodies are advocating the use of LEDs. LEDs are now available in various forms aiming to ease retrofit cost. This has driven the demand for LEDs over CFLs.

Low quality imports from China a stiff challenge for domestic suppliers: Low priced imports from China are hampering growth of revenues for local brands of CFL suppliers and local manufacturers are not able to match these low cost imports. Local companies find their sales impacted because the low-end residential and rural demand is often targeted by low cost Chinese imports. These imports offer about 10-20% lower prices allowing customers to enjoy a cost-advantage. However, this challenge will soon fade away as the market is witnessing an increasing influx of better quality domestically manufactured products.

Stricter regulations for quantity of mercury, as well as for proper end of life disposal for CFLs: There is no regulation mandating the quantity of mercury allowed in CFL, however, there are recommendations with respect to reduction of mercury. Mercury content in CFL increases disposal costs, hence, it is considered less attractive than LEDs. This is also one of the restraining factors for growth of CFL revenues in India as it is not considered environment-friendly although it is energy-efficient.

Market Growth Drivers



Growth Drivers	1-2 Years	3-5 Years
Government support for wide spread installation of CFL and initiatives to phase-out incandescent lamps	High	Medium
Growing electricity cost prompting adoption of CFL across rural and urban areas	High	High
Ease of installation and retrofitting options driving the growth	Medium	Medium

(Source: Frost & Sullivan Report)

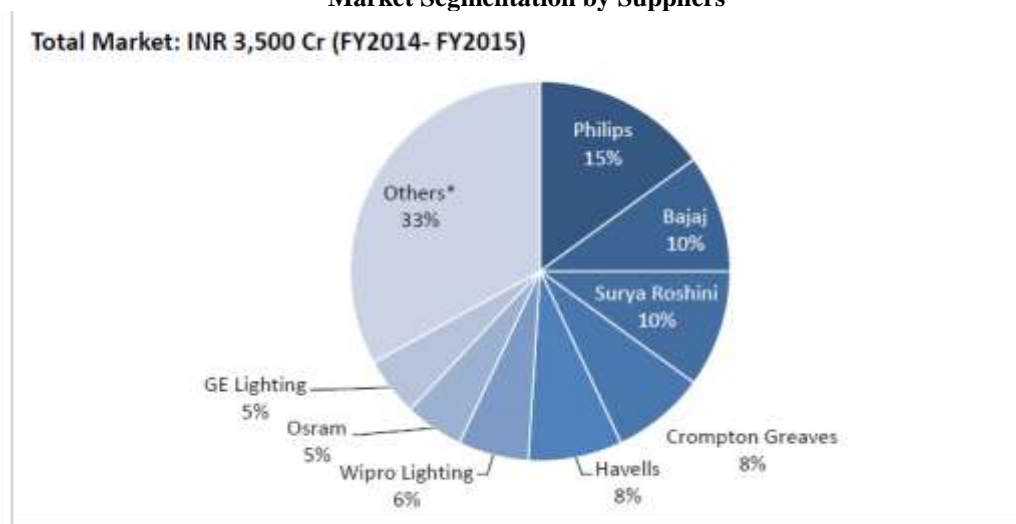
Competition

Competitors in the Indian CFL market adhere to two different business models. Firstly, companies like Philips Lighting, Orbit, Surya Roshini Limited and our Company, have manufacturing capabilities. While other major participants like Bajaj Electricals and Crompton Greaves engage other vendors to manufacture for them.

The competition structure for CFL Lamps can be split into three tiers based on the total revenue of these companies:

Competition Category	Estimated Revenues (₹) (In Crores)	Market Share (%)	Companies
Tier-I	1000	40-50	Philips Lighting, Bajaj Electricals, Crompton Greaves, and Surya Roshni
Tier-II	500-1000	20-25	Havells, Osram, Wipro Lighting, GE Lighting / CEMA, etc.
Tier-III	<500	20-25	Orient Electric, Halonix, Venture Lighting, Finolex, Anchor–Panasonic, THORN, HPL etc.

Market Segmentation by Suppliers



*Others include: Orbit, Orient Electric, Halonix, HPL, Venture Lighting, Finolex, Anchor – Panasonic, THORN

(Source: Frost & Sullivan Report)

Since major CFL manufacturers have their indigenous manufacturing plants in India, there is negligible need for imports. Only about 4.6% of the total market demand is catered through imports. A majority of the imports are from China and Chinese products are considered much cheaper but lack quality most of the time. These products (especially, lamps and luminaires) are mostly preferred by the residential segment.

Electrical Wires and Cables

Electrical wires and cables are conductors used in electrical networks for transfer of electricity. These find application in large scale electricity grids in the form of cross-country transmission lines as well as a variety of indoor / outdoor applications. While electrical wires and cables come in a variety of configurations, the typical

size and configuration of the electrical wire / cable is dependent on the power rating required for the application with usage spanning across low tension and high tension (11 kilo-Volts and above).

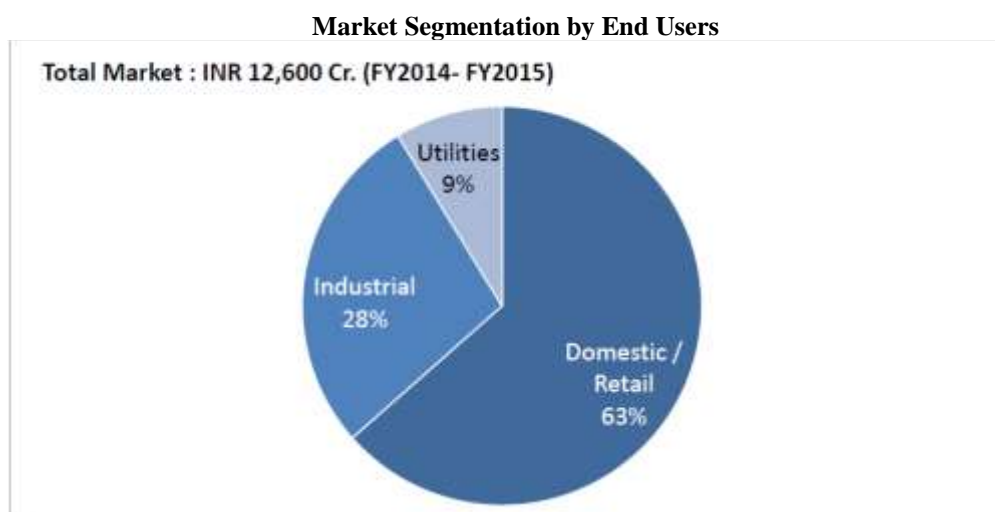
Electrical wires and cables usually includes (a) single or multiple cores of copper or aluminium conductor; (b) surrounded by an insulation material that is some form of paper, fabric or rubber; and (c) held together within an overall sheath that is usually metallic. A power cable is an assembly of two or more electrical conductors, usually held together with in an overall sheath. The assembly is used for transmission of electrical power and is installed as permanent wiring within buildings, buried underground, run overhead or even exposed outdoor for applications.

Electrical wires can be classified on the basis of type of build and category of Indian Standards (“IS”) into a) Flexible wires, b) PVC wires, c) Weather proof wires, d) Flame resistant wire. Copper based electrical wires find usage as service wires, circuit wires and earth wires in domestic households and commercial infrastructure and can be classified into a) Domestic Electric Wires b) Industrial LT Wires and Power Cables. Some of them include belted cables, super tension cables, oil filled cables, gas pressure cables etc. Further, depending on the area of application these power cables are manufactured for variety of niche applications such as a) submersible cables, b) specialty c) application cables, d) extra-high voltage cables.

Market Overview

The overall electrical wires and cables market in India is estimated to be ₹ 180,000 million in fiscal year 2015. The low tension electrical wires and cables are estimated to account for a majority share of this market at nearly 70%. The estimated 30% of the overall ₹ 126,000 million low tension electrical wires and cables market during fiscal 2015 is accounted by the unorganized and regional market players.

Retail segment which primarily caters to the domestic electrical wires market is the major end user segment as well as a route to market for manufacturers. The retail segment drives the need for manufacturers to build a strong brand portfolio and reach across the country because of its inherent nature. The segment also partially caters to sale of electrical wires and power cables to the industrial segment. The retail segment primarily caters to electrical contractors and builders from across the country who operate in millions and are responsible for the execution of electrical projects across households, commercial projects, industrial complexes, public spaces etc.



(Source: Frost & Sullivan Report)

The key market restraints to growth of the industry in the past years included a) unfavourable market sentiments, b) uncertain economy, c) industry slowdown, d) muted investment cycle and e) slowdown in investments across infrastructure and utility projects.

Historical trends and future estimates

The low tension electrical wires and cables market is expected to grow at CAGR of 4.4% and is expected to reach ₹ 156,000 million by 2020. The low tension electrical wires and cables market in India is primarily driven by growth of the end-user segments i.e. real estate including residential and commercial, industries, utilities, and

infrastructure. The low tension electrical wires and cables market has been witnessing a staggered growth over the last two years due to unfavorable market sentiments, muted investments, and weak macroeconomic environment. These trends have especially affected the growth of industry-driven power cables. Although residential and commercial sectors have witnessed flat growth, increased awareness for safety and reliability has prompted for a healthy demand for domestic electrical wires especially the copper wires.



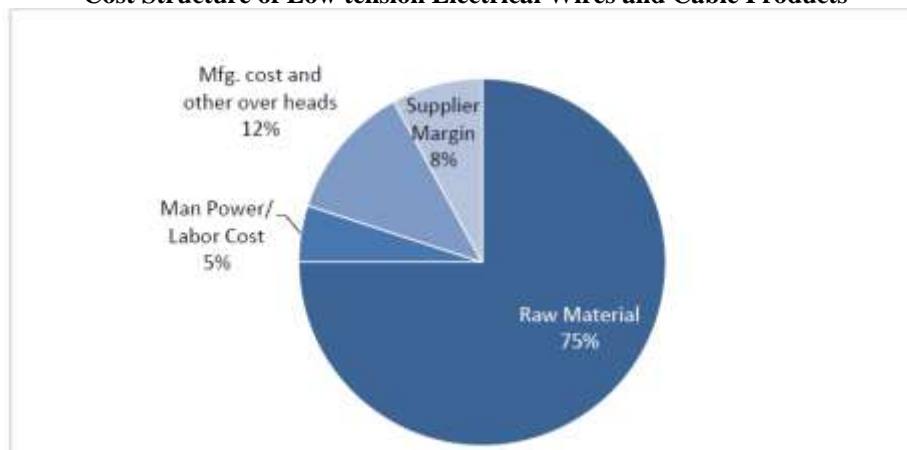
(Source: Frost & Sullivan Report)

A stable central Government, which looks determined to reinvigorate growth, attracts large dosage of investments across industries, and revives market sentiments. Therefore various reforms have been initiated such as Make in India, smart cities, increased infrastructure spending, etc. to boost the economy, but growth slowdown has been so pronounced that it may take some time for these measures to fructify. The market is expected to have moderate growth rate for next two years and after the year 2017, the growth is expected to kick-off with fresh investments and improved macroeconomic performance.

Cost Structure

Raw material constitutes around 75% of the total cost of manufacturing for the low tension electrical wires and cables industry. The key raw materials that constitute almost three-fourth of the total raw material cost include copper, aluminum, PVC and DOP, steel wires and strips. The manufacturing cost includes factory expenses, power and fuel, repair and maintenance, etc. The margins may vary from manufacturer to manufacturer depending on the production capacity, product type (premium, economy), and the brand of the manufacturer.

Cost Structure of Low tension Electrical Wires and Cable Products



(Source: Frost & Sullivan Report)

Key industry challenges and their impact on market dynamics

Industry Challenges	1-2 Years	3-5 Years
Competition intensity in the Industry and prominence of Unorganized players	Medium	Low
Pressure on margins and raw material price fluctuation risk	Medium	High
Uncertainty and delays in implementation of various reforms, programs / initiatives	Medium	Medium

(Source: Frost & Sullivan Report)

Intensity of competition in the industry and prominence of unorganized players: The industry currently has enough domestic capacity to cater to growing demand due to a mature, competitive landscape. The success of companies is increasingly becoming dependent on their marketing spends including advertising avenues and associated expenditures. The share of unorganized market players is on a decline but the market dynamics are such that the segment will continue to exist and pose a challenge to established market players.

Pressure on margins and raw material price fluctuation risk: The market has over 100 players which adds to the pressure on overall margins of the industry. The industry has become used to operating in an environment of parabolic raw material prices. A large number of local market players, coupled with fluctuating raw material prices, imports from other neighbouring countries and the pressure on the market players to reduce prices to sustain business, deter the market from growing to its actual potential.

Uncertainty and delays in implementation of various reforms, programs / initiatives: The various power reform programs such as the Rajiv Gandhi Grameen Vidyutikaran Yojna (“**RGVY**”) and Revised Accelerated Power Development and Reforms Program (“**RAPDRP**”) had been charted out to achieve the objective of “Power for All” by 2012. However, lengthy evaluation and approval procedures at the implementation stage create uncertainty and lack of confidence in private investors, thereby making production planning challenging due to creation of periodic artificial demand.

Market Growth Drivers

Revival of Industrial Segment: The Government’s focus on ‘Make in India’ and improving “ease of doing business” is expected to propel manufacturing / industrial growth. Economic growth in fiscal 2016 has been revised and is likely to reach 7.1%, mainly due to the improvement in industrial growth performance. Declining inflation will have a positive impact on industrial recovery on account of increased consumption demand.

Growth in the Residential Segment: Real estate plays an important role in the Indian economy and with various policy reforms in place such as allowing 100% FDI in the sector, tax benefits for foreign investors, smart cities, Atal Mission for Rejuvenation and Urban Transformation, the segment is expected to grow at 30% over the next decade. The revised National Electrical Code, which emphasizes on the use of certified copper electric wires, has created optimism for the segment.

Government Initiatives and Reforms for Expansion and Development of T&D Network and Power Capacity Augmentation: The Government of India is encouraging investments at the distribution level to increase access to reliable power supply and to reduce technical and commercial losses in the system through schemes such as Deendayal Upadhyaya Gram Jyoti Yojana and Restructured Accelerated Power Development and Reform Program. In addition, under the 12th FYP, the Government of India intends to add an additional 100 GW to meet the ever-growing demand for power. This will subsequently require evacuation of power through additional investment in transmission and distribution infrastructure.

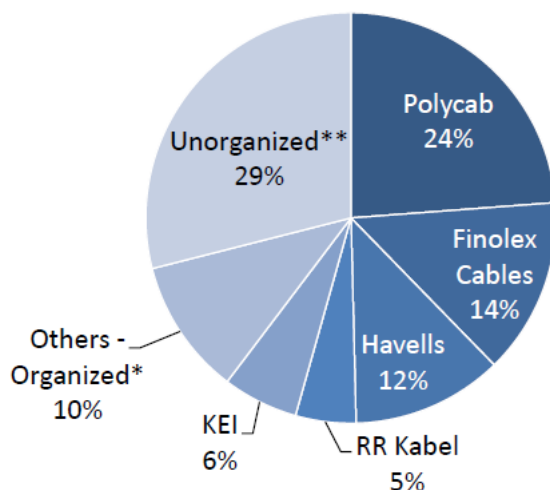
Increased Demand from the Renewable Energy Segment: Power generation from renewable sources is on the rise, with the share of renewable energy in the country’s total energy mix rising from 7.8% in fiscal year 2008 to 12.3% in fiscal 2015. The factors such as Government incentives, favorable foreign investment policy, and vast untapped potential will drive renewable energy generation in India.

Competition

The industry with its frequent innovations in new product features and quality products has graduated from being dominated by unorganized sector players to the branded and quality players with national reputes since it has undergone a few changes. The organized sector has been manufacturing high tension and specialty cables along with low tension domestic wires whereas the unorganized players limit themselves to the voluminous low tension domestic wires market. The market is ruled by unfair trade practices, where small cable companies compete by selling products of dubious quality at low prices.

Market Segmentation by Suppliers

Total Market : INR 12,600 Cr. (FY2014- FY2015)



*Others – Organized include: Next tier of companies such as Sterlite Technologies, Diamond Power Infrastructure, Gupta Power Infrastructure, Shilpi Cable Technologies, RPG Cables (A Div. of KEC International), Universal Cables, Apar Industries Ltd. (part of Uniflex cables), Anchor (part of Panasonic), V-Guard Industries, L&T Cables, HPL etc.

**Unorganized represent multitude of regional players with relatively lower quality / low priced Electrical Wiring products. Some of these market players are also believed to be sourcing sub-standard (recycled) copper and other raw materials and engaging in grey market operations.

(Source: Frost & Sullivan Report)

Polycab is estimated to account for nearly a quarter of the overall low tension electrical wires and cables market. Finolex at an estimated 14% market share is found to have a significant business in the wires and cables segment. Havells with its significant presence across a variety of electrical goods market is another major market player in low tension wires and cables segment. Market players like KEI and many other firms in organized segment are found to have greater focus on the industry segment with a wide variety of power cables to offer. Companies with traditionally strong focus in industrial and utility segments have moved into the area of high tension power cables and EPC services associated with the same. Export markets have been another area of focus, in all with an aim to garner better margins.



OUR BUSINESS

We are an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and institutional customers in the electrical equipment industry. We had the largest market share in the market for electricity energy meters in India in fiscal 2015, with one of the widest portfolios of meters in India and the fifth largest market share for LED lamps during the corresponding period (*Source: Frost & Sullivan Report*). Our manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence. We currently manufacture and sell our products under the umbrella brand ‘HPL’, which has been registered in India since 1975.

We supply our products through a network of authorized dealers or distributors to institutional, non-institutional and corporate customers. We supply switchgears, lighting equipment and wires and cables, primarily through our pan-India authorized dealer network, which comprised of over 2,000 authorized dealers or distributors as on December 31, 2015, from our warehouses located in 21 states and union territories in India that are managed by our carrying and forwarding agents. Our authorized dealers or distributors further sell our products to over 12,000 retailers in India. In addition, we supply our products to Power Utilities, which primarily includes supply of meters under direct contractual arrangements to electricity boards and power distribution companies, as well as through project contractors. Further, we supply our portfolio of products to developers of residential and commercial building projects, OEMs and to industrial customers through a mix of direct sales and supply through our authorized dealer network. Our sales and marketing activities are managed through over 90 branch offices and representative offices in India as on December 31, 2015.

We believe that our research and development capabilities have enabled us to keep abreast of technological developments in the electric equipment industry. We have a strong focus on consistently upgrading the technology that is used in our products and the processes used in manufacturing thereof, through our continuing research and development efforts. We have established two in-house research and development centres, the Kundli R&D Centre and the Gurgaon R&D Centre. Our research and development efforts include design and development of all types of energy metering solutions, including interactive communication between metering devices and metering infrastructure that includes AMR and AMI, prepayment metering solutions, solar net metering solutions, smart meters with two way communication and a complete range DLMS compliant meters, amongst others, and technologies and solutions that allow for active monitoring of energy consumption for electric equipment. For instance, we have developed a street lighting system that helps in saving manpower through automatic settings for sunset and sunrise timings and remote energy metering and dimming of such lights during off-peak hours to save energy. For details in relation to our research and development efforts, see “- **Research and Development**” below.

We also operate two tool rooms at Gurgaon (Haryana) and Kundli (Haryana), within our R&D Centres, where we have in-house component designing and tool designing facilities. As on December 31, 2015, we employed over 105 engineers at our R&D Centres, with a dedicated team of engineers to manage our Tool Rooms. Our Tool Rooms are used for making rapid prototypes, followed by tools that are used to ensure efficient moulding. The data for our Tool Rooms is generated using CAD software and CNC machines that assist in maintaining accuracy of the tools produced therein. We believe that our Tool Rooms allow us to easily adapt to changes in technology or modified specifications given by Power Utilities and/or institutional customers.

We currently own and operate six manufacturing facilities located across the states of Haryana and Himachal Pradesh, having in-house testing capabilities. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements. Further, certain of our products are also certified to be compliant with various national and international quality standards, including the ISI mark issued by the BIS, the CE mark and KEMA certification for conformity with requisite European quality standards.

Our Company is promoted by Mr. Lalit Seth, HEPL, HIL and Havell’s Private Limited. Havell’s Private Limited was incorporated in 1956. Mr. Lalit Seth has over 40 years of experience in the industry and has built long standing relationships with customers. While we were incorporated in 1992 as ‘HPL-Socomec Private Limited’, a joint venture between Socomec S.A., France and HEPL, our Promoter, for manufacture of load changeover switches and allied electronic accessories, we expanded our business to commence manufacture of metering solutions and wires and cables. We further merged with HPTL, pursuant to the HPTL Scheme of Amalgamation consequent to which, we acquired the lighting equipment business. For further details on the HPTL Scheme of Amalgamation, see “**History and Certain Corporate Matters**” on page 148.



For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 our total consolidated revenue was ₹ 5,508.29 million, ₹ 10,518.54 million, ₹ 10,160.42 million and ₹ 9,157.43 million, respectively. Further, our EBITDA for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 686.57 million, ₹ 1,300.80 million, ₹ 1,102.25 million and ₹ 1,147.59 million, respectively, on a consolidated basis. We have been able to increase our consolidated revenue at a compounded annual growth rate of 16.68% from fiscal 2011 until fiscal 2015.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated revenue from sale of metering solutions was ₹ 2,655.67 million, ₹ 5,027.62 million, ₹ 5,266.14 million and ₹ 4,898.36 million, respectively, from sale of switchgears was ₹ 1,040.77 million, ₹ 2,462.30 million, ₹ 2,438.15 million and ₹ 2,069.99 million, respectively, from sale of lighting equipment was ₹ 1,483.83 million, ₹ 2,589.26 million, ₹ 1,785.33 million and ₹ 1,626.06 million, respectively, and from sale of wires and cables was ₹ 887.81 million, ₹ 1,492.99 million, ₹ 1,692.70 million and ₹ 1,407.94 million, respectively. Further, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our revenue from railway electrification projects undertaken was ₹ 9.73 million, ₹ 20.15 million, ₹ 37.55 million and ₹ 81.97 million, respectively.

OUR STRENGTHS

Established brand in the electric equipment industry

We are an established manufacturer of electric equipment in India and we manufacture and sell our products under the umbrella brand ‘HPL’. We had the largest market share in the market for electricity energy meters in India, with one of the widest portfolios of meters in India, in fiscal 2015 (*Source: Frost & Sullivan Report*). We believe that our focus on maintaining quality across our product verticals and on continuous technological upgradation of our electric equipment offerings, together with our extensive sales and marketing efforts have enabled us to develop a strong brand recognition in the electric equipment industry. We enjoy significant brand recall and customer loyalty, particularly in the market for LV switchgear, allowing us to expand our presence across other ranges of domestic and industrial switchgear products (*Source: Frost & Sullivan Report*). Further, we believe that the pre-qualifications and approvals we have obtained from various Governmental Agencies that include central and state public works departments, municipal corporations and public sector undertakings, amongst others, reinforce the trust that our customers have in our products and their quality.

We are the oldest manufacturers of LV switchgears in India with nearly 50% market share in changeover switches in fiscal 2015, and have an established presence in the market for CFLs, with increasing focus on manufacture and supply of LED lamps, and wires and cables (*Source: Frost & Sullivan Report*). We supply our products to a diverse range of industries in the public and private sectors, including power generation, transmission and distribution industry, airports, petrochemical, chemical and fertilizers industry, metals, textiles, cement manufacturing industry, hotels, software and electronics industry, sugar industry and the automobile industry, amongst others. We also supply our electric equipment offerings to various Government Agencies and universities.

Large product portfolio

Since our incorporation in 1992 as a B2B focused manufacturer of switchgears and allied electrical accessories, we have significantly expanded our product portfolio. Our product portfolio comprises industrial and commercial electric equipment as well as domestic electric equipment, catering to requirements of a diversified customer base. Key products under our four product verticals include a range of air circuit breakers, MCCBs, MCBs, on-load changeover switches, control gear, modular switches, LED and non-LED bulbs and tubes, LED luminaires for domestic, commercial and industrial use, single and three phase meters, LTCT meters, prepayment meters, net metering, smart metering and transformer metering solutions with remote communication capabilities, domestic and industrial wires and specialty cables.

Although the technical specifications for our products are largely standardized, we may undertake certain customization of certain products for our institutional and corporate customers. For instance, we manufacture meters in accordance with specifications prescribed by the Power Utilities. We also undertake modifications to our products for certain OEMs. We believe our dedicated efforts towards expanding our product portfolio and our ability to identify our customers’ requirements contribute significantly to our position in the electric equipment industry and has resulted in us becoming a one-stop shop for low voltage electric equipment. Further, we believe that our ability to adapt our electric equipment offerings to match the needs of our consumers across a wide range of industries gives us a competitive advantage in the market for electric equipment.



Our products are presently sold across price ranges in the premium, mid-premium and economy segments. We believe that our large product offerings help us in attracting large corporate and institutional customers, including project contractors. Further, the complementary nature of our product offerings allow us to achieve synergies within our existing product portfolio and enable cross selling of our products across product verticals and customers. We believe that our diversified product range, coupled with focus on consistent product upgradation in terms of their design, technology, features and quality have allowed us to develop a wider customer base and contributed towards expanding into more premium market segments.

Robust manufacturing facilities with a focus on technology upgradation

We manufacture all our products within dedicated manufacturing facilities for each product vertical, as well as several components used in our products, with product customization capabilities for our institutional and corporate customers. We also undertake testing of our products at our in-house testing facilities to ensure their quality. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements. Further, certain of our manufacturing facilities have been accredited with environmental system certificates for compliance with ISO 14000 requirements and with OHSAS 18001 certifications for implementing occupational health and safety management systems at such facilities.

Presently, we have six manufacturing facilities located across the states of Haryana and Himachal Pradesh. Our manufacturing process capabilities include design and product development, component design, tool making and commercial production. As on March 31, 2015, our aggregate installed capacity for manufacture of meters was six million, switchgears was 16.51 million, for lighting equipment was 26 million and wires and cables was 194.40 meters. We have consistently undertaken expansion of our manufacturing facilities in the past with a view to capture increasing demand in the future. We believe that our manufacturing facilities enable us to expand our operations with ease to meet future demand at minimized cost of expansion. Additionally, our manufacturing facilities are equipped to manufacture customized products for our institutional customers and undertake modifications in our products for OEMs and other corporate customers.

Certain products manufactured at our manufacturing facilities are certified with the ISI mark by the BIS, and tested by various independent testing laboratories that have been accredited by the National Accreditation Board for Testing and Calibration Laboratories, DSIR (“NABL”), including the CPRI and the laboratory of the Electrical Research and Development Association (“ERDA”). Further, certain of our products have been accredited with the ‘CE’ mark as well as by KEMA Quality B.V., for compliance with standards prescribed for electric equipment under European law. For instance, our MCBs manufactured under the sub-brand ‘HPL Techno’ have been certified to be compliant with the IEC System for Mutual Recognition of Test Certificates for Electrical Equipment (IECEE) CB Scheme by KEMA Quality B.V.

Additionally, our R&D Centres are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (“DSIR”) have in-house Tool Rooms and testing facilities. Our testing facility at Gurgaon Facility I has been accredited by the NABL, to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing. We believe that we are able to achieve greater efficiency due to our in-house testing process, reducing the time taken for and the cost of manufacturing our products, from design to commercial production, resulting in higher profit margins. Further, our manufacturing facilities allow us to effectively meet any expanded demand for our products.

Pan-India sales and distribution network

We sell our products to institutional, non-institutional and corporate customers, including to developers of residential, commercial and industrial building projects, panel builders and OEMs, primarily through a network of over 2,000 authorized dealers or distributors who further sell our products to over 12,000 retailers, as on December 31, 2015, present throughout India. Additionally, we supply our products to Power Utilities, through direct contractual arrangements. For fiscal 2015, our revenue from sales to Power Utilities contributed to 31.81% of our net consolidated revenue from operations and the balance revenue from operations was from sales through our authorized dealer network. Further, we have over 90 branch offices and representative offices across India, which carry out marketing activities. Since we invoice our products to our authorized dealers and recover the value of products sold directly from them prior to onward sales to the end-customer, we believe that this makes our revenue recovery process more efficient and reduces our credit cycle.



Distribution to our authorized dealers is facilitated by carrying and forwarding agents appointed by us for several state and union territories in India, who are responsible for storing, billing and delivering the electric equipment to various authorized dealers. The presence of such carrying and forwarding agents in our distribution chain minimizes the need for us to maintain storage facilities for our finished products and simplifies our billing and invoicing process.

In addition to our authorized dealer network, our sales and marketing team, comprising 628 full time employees, as of December 31, 2015, is responsible for carrying out promotional and brand building activities for our products, including through print and social media and conducting seminars, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions.

Established relationship with institutional customers and strong pre-qualification credentials

We believe that we have an established relationship with several institutional customers and we supply our products to various Governmental Agencies. For instance, we executed several contracts from various Governmental Agencies for supply of lighting products. For instance, we executed LED street lighting turnkey projects in Srikakulam, Prakasam and east Godavari (Andhra Pradesh), various municipalities in Rajasthan and at Varansi Ganga Ghat and Varanasi Nagar Nigam, in Varanasi (Uttar Pradesh), involving supply and installation of LED streetlights and supplied LED tube lights for installation at the office of the electricity department in Delhi during the six months ended September 30, 2015. We believe that the supply of technologically advanced products enables us to maintain such established relationships with these State Utilities and Governmental Agencies. As on September 30, 2015 and March 31, 2015, we had confirmed orders amounting ₹ 2,534.24 million and ₹ 1,934.55 million, respectively.

We supply our electric equipment offerings to State Utilities pursuant to direct contractual arrangements, obtained through a bidding process, which may specify certain pre-qualification requirements. Further, we also supply our products to various Governmental Agencies, based on a pre-qualification process and grant of approval by these Governmental Agencies. Pre-qualification requirements include past experience in supply to such entities, ability to meet specific technical requirements, reputation for quality and safety features present in our products, financial strength and the price competitiveness of our electric equipment offerings. We believe that our pre-qualified status with Power Utilities and such Governmental Agencies strengthens our position in the market.

Experienced management team and skilled workforce

We have an experienced management team led by our Promoter and Chairman, Mr. Lalit Seth, who has over 40 years of experience in the industry and we benefit significantly from his expertise. Our senior management team comprises our joint Managing Directors, Mr. Rishi Seth and Mr. Gautam Seth and our executive Director, Mr. Chandra Prakash Jain. The average experience of our senior management is over 20 years. Our senior management team is supported by other skilled, semi-skilled and contractual workers, including over 105 engineers employed at our R&D Centres. We believe that the experience and relationships of our senior management team have significantly contributed to the growth of our manufacturing capabilities and towards developing our brand.

OUR BUSINESS STRATEGIES

Expand our product range with focus on value added products

Our Company has consistently focused on expanding its product range and introduce modern electric equipment, offering a wide range of features. We seek to utilize our research and development capabilities to develop new products, particularly lighting equipment, has the highest profitability margin amongst the products that we manufacture and supply. The market for electric equipment is expected to grow at CAGR of 8-12% between 2016 and 2020, with the LED market expected to grow significantly, at a CAGR of 62% during the corresponding period. The large scale promotion of energy efficiency by the Government has resulted in greater acceptance of LED lamps, that use up to 70% lesser energy than conventional luminaires, which is expected to drive the market for LEDs to reach ₹ 31,010 crore by 2020 (*Source: Frost & Sullivan Report*). We seek to capture this growing demand for LED lamps and introduce a range of LED lamps for different end-use segments.

We also intend to focus on manufacturing value added products across our product verticals such as specialty wiring and smart meters and penetrate all segments of the market, ensuring our presence in each rung of the value chain. Since the manufacture of value added products use the same back-end manufacturing processes and



equipment as our current portfolio of products, we believe we are well positioned to capture the demand for such value added products. The market for electricity meters is expected to grow at a CAGR of 11.5% between 2016 and 2020, fueled by various initiatives of the Government of India, such as UDAY, which is expected to revive the financial condition of Power Utilities. During this period, the market for prepayment meters is expected to grow at a CAGR of 15.1% and smart meters at a CAGR of 5.3%, while explosive growth in this market is expected after 2022, when proposed civil works for smart cities and smart grids near completion (*Source: Frost & Sullivan Report*). We seek to increase our penetration in the market for metering solutions, particularly for smart meters, through our consistent research and development efforts.

We also intend to capitalize on the unutilized capacity at our manufacturing facilities to further increase production of our current portfolio of electric equipment and take advantage of the experience of our sales and marketing team to increase acceptance for our electric equipment and enhance our visibility in the domestic electric equipment market, particularly for metering solutions and lighting equipment. We also seek to utilize our existing manufacturing capabilities in relation to CFLs to capture any residual demand for CFLs that may be created due to a shift in focus of CFL manufacturers towards manufacture of LED lamps and luminaires. Additionally, we seek to further penetrate and strengthen our market position in each segment of the market across all our product verticals.

Reduce our working capital cycle and focus on rationalizing our indebtedness

Due to the highly competitive nature of the industry in which we operate, it is critical for us to rationalize our costs to improve our margins. Working capital is a significant expenditure for us, resulting primarily from lengthy working capital cycles and elongated credit periods extended to our customers, including to Power Utilities. Presently, our working capital cycle extends up to 150 days. We seek to implement measures to reduce our working capital cycles and improve our inventory management, including through enhancing our brand image to facilitate faster movement of our inventory. For instance, we have shifted to using the carrying and forwarding agent sale and distribution model, whereby we have gained direct control over our inventories. We also seek to increase the proportion of our revenue from sale to authorized dealers by strengthening our existing dealer network and increasing acceptance of our brand and products across product verticals in the domestic and global markets. Additionally, we propose to introduce channel financing with the object of reducing our working capital requirements, whereby we seek to leverage our relationships with large corporate customers and authorized dealers who will act as our channel partners. We seek to increase our visibility in the market and focus on further strengthening and promoting our brand, which we believe, will support our efforts in obtaining large channel partners.

Moreover, we intend to rationalize our borrowings with the objective of reducing our overall finance costs and improving our debt to equity ratio. Our aggregate consolidated borrowings outstanding as on September 30, 2015 was ₹ 6,018.68 million and our debt to equity ratio as on September 30, 2015 was 1.80 on a consolidated basis. We propose to repay/prepay our long term borrowings and a portion of our working capital borrowings, towards which, we intend to use a portion of the Net Proceeds to reduce our overall indebtedness, finance costs and debt to equity ratio for future leverage. For further details on the proposed use of the Net Proceeds, see “***Objects of the Issue***” on page 84.

Expand our business and capture growth opportunities

The electric equipment industry has witnessed significant growth, growing at 9.4% from fiscal 2014 to fiscal 2015 and is expected to grow at a CAGR of 8 to 12% during 2016-2020. Of the total electric equipment industry, T&D equipment accounted for 72% of the total market. The Government of India has implemented several initiatives such as private participation in the transmission segment and development of the National Power Grid to boost growth in the T&D industry. Additionally, the GoI has announced various plans, including recasting 100 cities in India with an estimated expenditure of over ₹ 3,000 billion under its smart cities programme, the ‘*Housing for all*’ initiative and by facilitating the domestic production in the Indian electric equipment industry to reach an output of USD 100 billion by balancing exports and imports, pursuant to the Indian Electrical Equipment Industry Mission Plan 2012-2022 of the Department of Heavy Industries and Public Enterprises, Government of India (“**Mission Plan 2012-2022**”). (*Source: Frost & Sullivan Report*)

We believe that these initiatives of the Government will drive the demand for domestic and industrial electric equipment, including for electric equipment that we manufacture. Further, increasing urbanization in India coupled with rising household income levels have resulted in progressively increasing demand for residential real estate, which has been a significant consumer for variety of low transmission electrical products and lighting solutions. The capacity addition in the real estate sector is expected drive the entire value chain of the electrical



industry and will provide a base for significant product and service innovations in the future. Also, the ‘Housing for all’ initiative of the Government of India seeks to build two crore homes by 2022, which is expected to give a thrust to the electrical equipment industry in India, and affordable housing is expected to promote innovation into low cost and affordable electrical solutions. (Source: Frost & Sullivan Report)

Additionally, we believe that pursuant to the UDAY Scheme of the Government of India there would be added emphasis on improvements in operational efficiency including through mandatory use of smart metering solutions, upgradation of transformers and meters, implementing energy efficiency measures like efficient LED bulbs, agricultural pumps, fans and air conditioners, amongst others. These measures are expected to reduce the average AT&C Loss from around 22% to 15% and eliminate the gap between ARR and the ACS by fiscal 2019 (Source: Frost & Sullivan Report). We believe that such measures will result in increased demand for modern electric equipment that adequately responds to the technological needs of Power Utilities and other customers. We seek to address this increased demand through introduction of a range of products across product verticals, particularly metering solutions and LED lamps, with modern technology that monitor energy efficiency.

Additionally, we propose to utilize our experience and our research and development and manufacturing capabilities in relation to meters to enter newer markets such as gas metering solutions and water metering solutions. The proposed expansion in the city gas distribution (“CGD”) network is expected to provide significant opportunities for project developers, pipeline manufacturers, technology providers, consultants and regulators and meter manufacturers, among others (Source: Gas in India 2015: Marketplace, E&P, LNG, Pipelines & CGD dated September 2015, prepared by India Infrastructure Research). We seek to capture any demand that may in the future arise for gas metering solutions, with or without the AMR feature, and for water metering solutions. Further, we are also exploring opportunities for products and services related to renewable energy, particularly solar energy.

We believe that our past experience of working with government departments and Power Utilities, and our long standing relationships with institutional customers and corporate houses will be a significant driver for demand for our products on account of growing focus of the government on urbanization and any demand created by the market for new products.

Increase our geographical reach and expansion of addressable market

We continually seek to enhance our addressable market through our network of over 2,000 authorized dealers or distributors, as on December 31, 2015, including by carrying out promotional activities to create awareness for our products. Towards this objective, we seek to expand our network of authorized dealers or distributors, presence with institutional and corporate customers including OEMs and developers of high end residential and commercial project developers in India. We plan to create a niche customer base for our products by increasing our focus on increasing our visibility with such institutional customers including panel builders and developers of such residential and commercial projects. Further, we seek to utilize our present network of authorized dealers to increase sale of our products across a larger customer base and cover more customer segments.

In addition, we seek to expand our global reach, through increased customer acceptance of our products in international markets. We currently export our products from India solely on receipt of confirmed orders. We seek to enter new international markets, primarily in the Middle East, Africa and the south-east Asian region. Towards this objective, we intend to focus on building an authorized dealer network in such markets with focus on both domestic and industrial electric equipment. We also propose to undertake promotional activities for our products, aimed primarily at panel builders, to increase acceptability for our products and for strengthening our brand in these markets.

We are presently in the process of obtaining approvals and pre-qualifications in various markets internationally and anticipate that such approvals will assist us in garnering customer acceptance for our products. We intend to exploit our current manufacturing capacities coupled with our research and development capabilities to manufacture products of quality that we believe will enable us to secure approvals from international agencies and satisfy their pre-qualification requirements.

Strengthen customer base with focus on increasing customer spend on our products

We generated 31.81% and 38.80% of our consolidated revenue from sale to Power Utilities through direct contractual arrangements and the remaining was from sale through authorized dealers or distributors, during fiscal 2015 and fiscal 2014, respectively. We intend to increase the volume of sale through authorized dealers through



various promotional activities, including product launches, electrician meets, exhibitions aimed at creating awareness for our products amongst our authorized dealers and through advertisements in the print and electronic media to increase acceptance of our products amongst our end-consumers. Further, we plan to introduce products at different price points to increase the attractiveness of our products to end-consumers across market segments. We also propose to launch different variants for our domestic electric equipment offerings, differentiated on the basis of design and quality, amongst other factors, to enhance the appeal and acceptance for our products amongst end-consumers.

Our customer base includes institutional and corporate customers and developers of residential and commercial projects, which use various categories of electrical equipment, including those manufactured by us under different product verticals. Further, each of our product verticals are complementary to at least one other product vertical under which we manufacture our products. We propose to increase our focus on increasing the expenditure by each of these customers on electrical equipment purchased from us, which we seek to achieve through integrated marketing efforts for sale of products across product verticals. We seek to create synergies in our manufacturing and marketing activities by promoting cross sale of our products to institutional and corporate customers and developers of residential and commercial projects.

Continue to enhance our brand through innovative and focused marketing initiatives

We seek to continue to enhance brand awareness and customer loyalty through our promotion and marketing efforts. Our marketing strategy involves increasing our visibility through increased advertising in print and social media, television campaigns and increasing our one-to-one interactions with our authorized dealers and end-consumers. We also propose to increase our marketing efforts for our value added products to garner demand for such products, such as conducting product launches to create awareness for our new products. We believe that our pan-India presence and scale of operations allows us to increasingly focus on branding and promotional activities and enhance our visibility in the electric equipment industry.

OUR PRODUCTS

We offer a diverse range of electric equipment under the 'HPL' brand, primarily under (i) meters; (ii) switchgears; (iii) lighting equipment; and (iv) wires and cables. Our electric equipment offerings can also be categorized as domestic and commercial and industrial, based primarily on their end-use and the demand for such products.

Set forth below is certain information relating to revenue earned from sales of our electric equipment offerings under our product verticals for the periods indicated below.

Product vertical	Six months ended September 30, 2015		Fiscal 2015		Fiscal 2014		Fiscal 2013	
	Revenue (in ₹ million)	% of Gross revenue from Operations	Revenue (in ₹ million)	% of Gross revenue from Operations	Revenue (in ₹ million)	% of Gross revenue from Operations	Revenue (in ₹ million)	% of Revenue from Operations
Meters	2,655.67	43.69	5,027.62	43.37	5,266.14	46.94	4,898.36	48.57
Switchgears	1,040.77	17.12	2,462.30	21.24	2,438.15	21.73	2,069.99	20.53
Lighting equipment	1,483.83	24.41	2,589.26	22.34	1,785.33	15.91	1,626.06	16.12
Wires and cables	887.81	14.61	1,492.99	12.88	1,692.70	15.09	1,407.94	13.96
Railway electrification projects	9.73	0.16	20.15	0.17	37.55	0.33	81.97	0.81
Gross revenue from operations	6,077.81		11,592.32		11,219.87		10,084.32	

Metering solutions



We had the largest market share in the electricity energy meters market in India, with one of the widest portfolios of meters in India, in fiscal 2015 (*Source: Frost & Sullivan Report*). Meters are high precision and accurate electric energy measuring devices used by power transmission and distribution companies, including Power Utilities, for the purpose of billing energy consumption. Meters could be single phase or three phase meters based on the electric supply used by the domestic, commercial or industrial building where they are installed. We manufacture single phase as well as three phase meters and we offer panel mounted as well as singular meters.

Our portfolio of meters includes single phase, three phase and LTCT energy meters, prepayment meters (whereby a monetary limit can be set on the electricity to be supplied to a particular consumer), net metering solutions and transformer metering solutions remote communication facilities. All our tariff meters are certified by the BIS as conforming to the Indian Standards Index.

Set forth below are certain meters that we manufacture, categorized based on their end-use, as domestic and industrial.

Domestic application	Industrial application
<ul style="list-style-type: none"> Single phase/three phase, whole current counter/LCD type meters Dual source projection metering solutions Special long range metering solutions Smart metering solutions Prepayment metering solutions DLMS metering solutions RF/optical port/LPR meters 	<ul style="list-style-type: none"> Digital panel meters Digital energy meters LT Tri-vector meter Single module meter Multi-function meter Load manager and demand controllers Power factor control and regulators Prepayment metering solutions DLMS metering solutions Long range integrated metering solutions Net metering solutions Smart metering solutions

We also manufacture meters with radio frequency, data concentrator units, soft token transfer devices, water and gas meters and meter data acquisition systems at our manufacturing facilities.

Switchgears

We are one of the oldest manufacturers of LV switchgears in India, with nearly 50% share of the market for changeover switches (*Source: Frost & Sullivan Report*). Switchgear is an apparatus used for switching, controlling and protecting electrical circuit and equipment, and is essentially employed for switching between and interrupting currents. Switchgears comprise a wide range of products including circuit breakers, switches, switch fuse units, off-load isolators and high rupturing capacity (“H.R.C.”) fuses.

Our portfolio of switchgears includes air circuit breakers up to 6,300A, MCCBs up to 800A, MCBs up to 125A, on-load changeover switches up to 3,150A, range of control gear and a range of modular switches that are available for varied range of wattages, voltages and amperage and with different breaking capacities. Our product offerings also include MCCB distribution panels, with pre-mounted MCCBs.

Our switchgears are sold under several sub-brands, including ‘HPL Techno’, ‘HPL Rakshak’ and ‘bsäfe’. We have registered the trademark ‘HPL Techno’ and our MCBs sold under the sub-brand ‘HPL Techno’ have been certified with ‘KEMA’ for compliance with European standard EN 60898-1:2003.

Set forth below are certain switchgears that we manufacture, categorized based on their application into domestic and industrial.

Domestic application switchgears	Industrial application switchgears
<ul style="list-style-type: none"> bsäfe MCB (6~63A) Techno MCB (6A-80A) Rakshak MCB isolator (40A and 63A) Consumer unit double doors MCB distribution boards 	<ul style="list-style-type: none"> MCCB up to 800A Air circuit breaker up to 6300A Load break switch up to 3150A Bypass switch (125~1600A) H.R.C. fuse links and fuse holders (2~630A)



- Residual current circuit breaker (“RCCB”) up to 100 mA
- On-load changeover switches up to 3150A

Lighting equipment

We manufacture a wide range of LED lamps (including down-lighters), luminaires and CFLs at varied wattages and had a market share of 5% in fiscal 2015 in the market for LED lamps (*Source: Frost & Sullivan Report*). We believe that we provide our customers energy efficient indoor commercial and domestic luminaires with superior design. Our lighting products are suited for use as task lighting, which is intended to be functional and concentrated, such as reading, and for accent lighting, which is intended primarily for decorative purposes. Our LED lamps have been certified to be in conformity with the Indian Standard Index by the BIS.

Our lighting equipment portfolio comprises a complete range of LED and non-LED bulbs and tubes and LED luminaires for consumer, commercial and outdoor lighting. Set forth below are a certain LED products and CFLs manufactured by our Company.

LED lamps	CFLs
<ul style="list-style-type: none"> • LED bulbs (1W/3W/5W/7W/9W/12W/15W) • LED tubes (8W/16W/20W) • LED down lighters (70W/90W/120W/180W) • LED flood lights (20W-490W) • LED street lights (10W-200W) 	<ul style="list-style-type: none"> • Mini retrofit (5W-15W) • Regular retrofit (11W-27W) • High wattage 4U (30W-85W) • High wattage spiral (30W-85W) • CFL candle (7W and 9W)

Our lighting products are sold under the brand ‘HPL’ and our street lighting is sold under the sub-brand ‘Pathlite’.

We have, in the past, secured and executed several contracts from various Governmental Agencies for supply of lighting products. For instance, we executed LED street lighting turnkey projects in Srikakulam, Prakasam and east Godavari (Andhra Pradesh), various municipalities in Rajasthan and at Varansi Ganga Ghat and Varanasi Nagar Nigam, in Varanasi (Uttar Pradesh), involving supply and installation of LED streetlights and supplied LED tube lights for installation at the office of the electricity department in Delhi during the six months ended September 30, 2015.

Wires and cables

Our portfolio of wires and cables comprise domestic wires of thickness up to six square millimeters with load carrying capacity up to 37A, industrial wires and cables of thickness up to 150 square millimeters with load carrying capacity up to 240A and a range of specialty cables. Additionally, we may undertake certain modifications for certain of our customers, although we manufacture wires and cables in accordance with various Indian and international standards.

Set forth below is list of domestic and industrial wires and cables manufactured by us.

Domestic application wires	Industrial application wires and cables
<ul style="list-style-type: none"> • Fire resistant wires • Flame retardant low smoke wires • Zero halogen flame retardant wires 	<ul style="list-style-type: none"> • Solar and wind power cables • Submersible cables • Battery cables • Fire survival cables • Multicore cables

Our PVC insulated cables for working voltages up to 1,100v have been certified to be in conformity with the Indian Standards Index by the BIS. We also manufacture range of telephone cables, co-axial cables, data networking cables, instrumentation cables and control cables for our domestic and industrial customers.

Railway electrification projects

Our Joint Ventures, HPL-Shriji JV and HPL-Shriji– Trimurthi JV, are engaged in the implementation of railway electrification projects involving design, supply, erection, testing and commissioning of traction overhead equipment, switching stations, booster transformer stations and LT supply transformer stations including



foundation structures and other ancillary equipment. These Joint Ventures valid are until the completion of the respective projects, including maintenance and guarantee period, or for such extended period as may be mutually agreed amongst the parties to the respective joint venture agreement. Our revenue from such railway electrification projects for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 9.73 million, ₹ 20.15 million, ₹ 37.55 million and ₹ 81.97 million, respectively, which accounted for 0.16%, 0.17%, 0.33% and 0.81% of our gross consolidated revenue from operations for the respective periods.

OUR MANUFACTURING FACILITIES

We currently have six manufacturing facilities, with dedicated manufacturing facilities for each of our product verticals. Set forth below are certain details of our manufacturing facilities.

S. no.	Location	Area (in sq. feet)	Year of commencement of operations	Aggregate installed capacity	Capacity utilized (as a % of installed capacity)		
					Fiscal 2015	Fiscal 2014	Fiscal 2013
I. Meters							
1.	Gurgaon Facility I	15,920.04	1998	6,000,000 electronic static energy meters	70.23	76.67	62.76
2.	Gurgaon Facility II	112,741.84	2010	15,000,000 parts/components of lighting equipment including CFL and LED and of electronic energy meters equipment and meters	119.51	119.87	50.00
II. Switchgears							
3.	Kundli Facility	235,694.44	2011	5,000,000 units of switchgears and parts of electronic energy meters and parts of lighting equipment, MCBs and MCCBs and parts of CFL, PCB-CFL, CFL Copper Ballast, parts of TS-FTL luminaires and wires and cables and parts of meters and switchgears	65.69	54.83	59.80
4.	Jabli Facility	93,961.19	2006	11,508,000 units of MCBs, distribution boards and panels, MCB isolators, MCB changeover, earth leakage circuit breaker and switches	86.60	88.52	53.07
III. Lighting equipment							



S. no.	Location	Area (in sq. feet)	Year of commencement of operations	Aggregate installed capacity	Capacity utilized (as a % of installed capacity)		
					Fiscal 2015	Fiscal 2014	Fiscal 2013
5.	Sonepat Facility	103,157.11	2008	26,000,000 units of lighting equipment including CFL, LED and luminaires and street lights	59.84	55.53	55.81
IV. Wires and cables							
6.	Gharaunda Facility	101,479.99	2014	194,400,000 meters of wires and cables	44.73%	N.A.	N.A.

Additionally, from time to time we outsource the manufacture of certain components that are used in our products on a job-work basis, during periods when the capacity at any particular manufacturing facility is fully utilized.

We manufacture all our products in-house, as well as several components used therein. For instance we manufacture sheet metal components, copper components and industrial plastic moulded components, used in the manufacture of our products.

Quality control

Our manufacturing facilities and our products have been accredited with various national and international quality certifications. Further, all our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements by TUV SUD South Asia Private Limited and the British Standards Institution, India. Further, our Jabli Facility, Gurgaon Facility I, Gurgaon Facility II and the Karnal Facility have been accredited with environmental system certificates for compliance with ISO 14001 requirements by TUV SUD South Asia Private Limited. Additionally, our testing facility at Gurgaon Facility II has been accredited by the NABL to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing.

We undertake quality checks at various stages in our manufacturing process. Our quality control team is responsible for checking quality of the raw material received at our manufacturing facilities. Thereafter, quality checks are undertaken at various stages, including for raw material and components, at packaging and lastly, a quality check is undertaken prior to dispatch of our products. Power Utilities may further undertake additional pre-dispatch quality checks.

In addition, certain of the products manufactured at our manufacturing facilities are certified with the ISI mark by the BIS, and tested and certified by various independent testing laboratories that have been accredited by the NABL, including the CPRI and the ERDA laboratory. Further, certain of our products have been accredited with the 'CE' mark and 'KEMA' certification for compliance with standards prescribed for electrical equipment under European law.

RAW MATERIAL AND PROCUREMENT

We have varied raw material requirements for our products, primarily classified as electronic and mechanical components and other materials. Our consolidated raw material expenditure for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 3,412.03 million, ₹ 7,433.90 million, ₹ 7,302.22 million and ₹ 6,779.04 million which, constituted 56.14%, 64.13%, 65.08% and 67.22% of our gross consolidated revenue from operations for such periods.

Set forth below is a description of the primary raw materials that we use for manufacturing our products under each of the product verticals and their percentage of the consolidated total expenses.

Raw material	Six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
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	Amount (₹ in million)	% of consolidate d total expenses	Amount (₹ in million)	% of consolidate d total expenses	Amount (₹ in million)	% of consolidate d total expenses	Amount (₹ in million)	% of consolidate d total expenses
Copper	644.94	12.19%	1,163.07	11.54%	1,340.53	13.70	1,158.77	13.26%
Electronic components	1,810.45	34.23%	3,126.22	31.02%	3,266.42	33.39%	3,029.75	34.66
Engineering plastic	339.71	6.42%	799.44	7.93%	751.72	7.68%	703.83	8.05%
Packing	106.42	2.01%	211.36	2.10%	197.23	2.02%	188.95	2.16%
Other raw materials	503.86	9.53%	2,131.09	21.14%	1,734.73	17.73%	1,655.69	18.94%
Raw material for railway electrification projects	6.65	0.13%	2.72	0.03%	11.59	0.12%	42.05	0.48%

We procure our raw material requirement from various third party domestic and international suppliers on an order by order basis wherein the price of raw material is determined on a spot basis, by opening letters of credit or issuing documents against acceptance. However, prior to executing such transactions for the purchase of raw materials, we make enquiries as to the availability, price and quality of such raw material in the open market.

OUR SALES AND DISTRIBUTION NETWORK

We sell and distribute our products through a network of authorized dealers or channel partners, who further sell our products to retailers and other end-consumers. However, our sales to power utilities, including to State Utilities, and certain other institutional customers, such as developers of residential and commercial building projects and OEMs, are undertaken pursuant to direct contractual arrangements with such customers.

Additionally, we have a sales and marketing team, comprising 628 full-time employees, who are responsible for undertaking promotional activities in relation to our products.

Sales through our authorized dealer network

As on December 31, 2015, we had appointed over 2,000 authorized dealers or distributors for distributing our electric equipment offerings, who act as our channel partners. Our authorized dealers further sell our products to retailers, certain developers of residential and commercial building projects, OEMs, Governmental Agencies and various industries or directly for domestic use. Our authorized dealers may also assist our sales and marketing team in undertaking price-related negotiations with institutional customers and in ensuring timely delivery of our products.

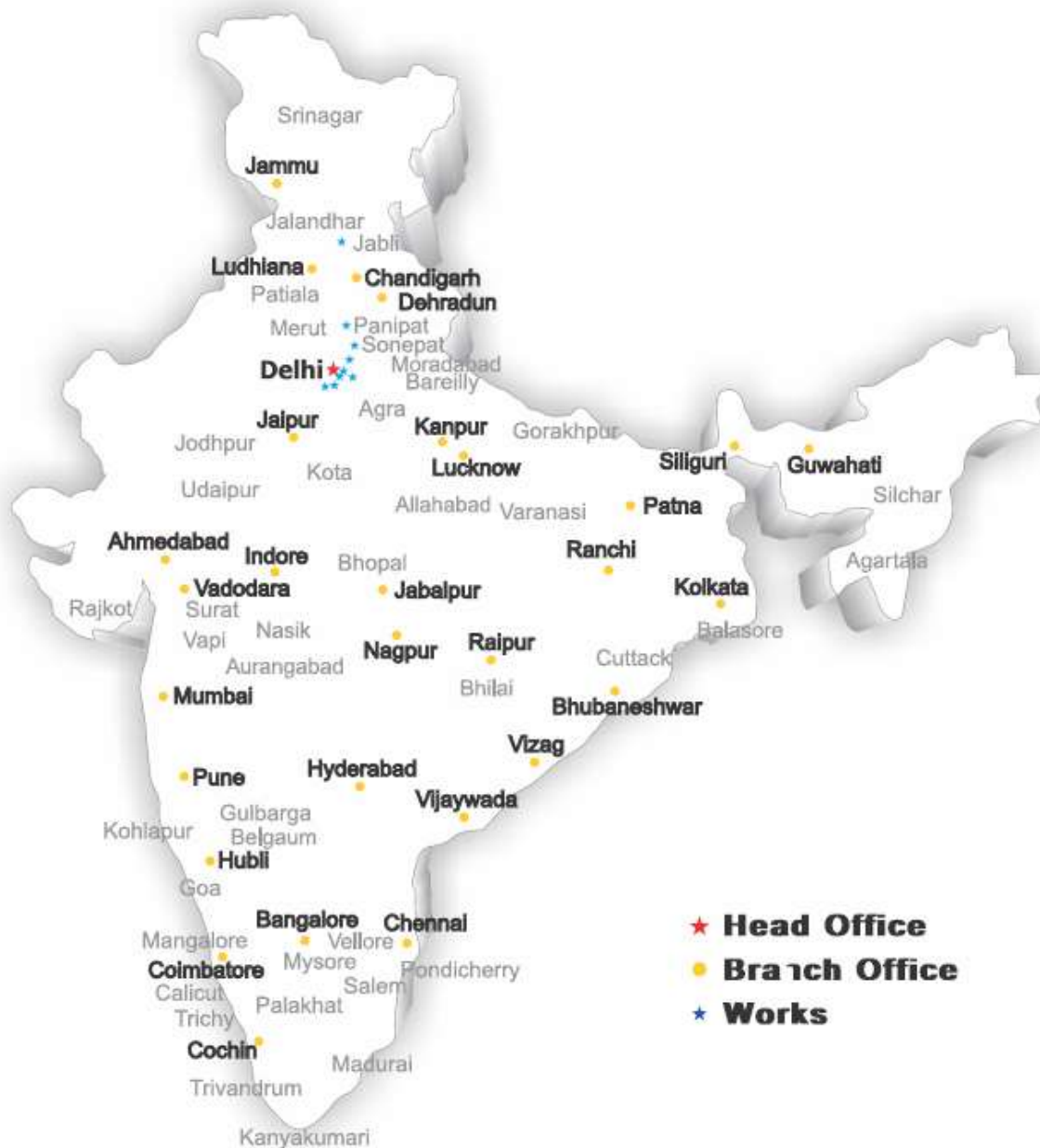
Our Company formulates annual sales policies containing general terms and conditions governing our relationship with our authorized dealers. Each authorized dealer is required to accept these terms and conditions pursuant to which, our Company issues a certificate of dealership. Each certificate of dealership is valid for one year and may be renewed at the instance of our Company.

Our annual sales policies prescribe our replacement policy, credit limits available to our authorized dealers, payment policy and the maximum discounts that may be allowed to an authorized dealer against early payment, amongst others. Our annual sales targets vary for each authorized dealer and credit limits extended to each dealer are determined based on historic and prospective sales targets. We record a sale of our product once they are invoiced to our authorized dealers. Our authorized dealers are responsible to make payments for our products sold within timelines stipulated in our sales policy and we offer cash discounts against early receipt of payment, which ranges from 1% to 3%, in inverse proportion to the credit period utilized. However, the credit period extended to an authorized dealer is fixed at the beginning of the fiscal year and capped at 60 days from the date of the invoice. Further, our Company reserves the right to review, revise and revoke this credit period, on a quarterly basis, in case of defaults and/or delays in payment.

Our authorized dealers are also a source of market information for our products, which aids our production teams in planning manufacturing estimates. The technical specifications for our products are primarily standardized and are classified through commercially standardized 'ratings'. This information is then made available to our



centralized production team. Any excessive demand forecast may be offset by our historic sales data prior to commencement of manufacturing. This process is undertaken by our production team periodically. However, in respect of specialized products or products that require customization or modification, we commence manufacture only upon receipt of a confirmed order.



Map not to scale

Pricing

Our products are offered at various price points. Our sales and marketing team takes into consideration the margins of intermediaries at different stages, in accordance with market practice, and applicable taxes to arrive at the list price of our offerings. Thereafter, special prices may be offered on bulk orders and to institutional and regular customers.

Manufacturing defects and product warranties

All our products carry a warranty only against manufacturing defects. Typically our electric equipment offerings carry warranty for a period of 18 months from the date of invoicing or 12 months from the date that they are commissioned, whichever earlier. However, the warranty period for certain of our products may vary. For



instance, our meters carry warranty against manufacturing defects for a period of 24 months of invoicing from our manufacturing facility or 18 months from the date of their commissioning, whichever earlier. Further, our LED lamps carry warranty for a period of 30 months from the date of manufacturing or two years from the date of delivery or installation, as the case may be, whichever earlier. However, in case of defective products, a pre-inspection and subsequent approval by our Company's authorized representative, including the assignment of a material authorization number for each such product, is mandatory.

Supply to Power Utilities

Our sales to Power Utilities comprise primarily of sale of meters. For sales and supply to Power Utilities, we enter into direct contractual arrangements with them, pursuant to a bidding process and technical evaluation by such Power Utility. Our contract with each Power Utility typically provides the specifications for and quantities of the electric equipment to be manufactured and sold to them. As on September 30, 2015 and March 31, 2015, we had confirmed orders amounting ₹ 2,534.24 million and ₹ 1,934.55 million, respectively.

Power Utilities award us supply contracts based their technical evaluation of our manufacturing capabilities, together with the price competitiveness of our electric equipment offerings. Power Utilities may also undertake testing of samples and an audit of our manufacturing facilities prior to awarding a supply contract.

Pricing

In case of Power Utilities, fixed prices are stipulated in our contracts at which we are required to sell our products to such Power Utility. Variation in such prices may be permitted, pursuant to following the procedure prescribed in the contract/bid documentation of the particular Power Utility.

Manufacturing defects and product warranty

Power Utilities typically may also undertake pre-dispatch inspection of the products at our manufacturing facilities. Additionally, we offer a product warranty for a period exceeding five years from the date of commissioning of the meters supplied to Power Utilities that includes repair and replacement of the product in case of any defect due to design, material used therein or in their workmanship. Further, we are required to execute performance guarantees in favour of these Power Utilities, which may be revoked in case of any manufacturing defects found in our products or in the event we fail to undertake requisite repair and maintenance activities for our products.

International sales and distribution

Our global sales and marketing team is responsible for our international sales and distribution in countries across south-east Asia, the Middle East, Europe and Africa. Presently we manufacture electric equipment for export only upon receipt of confirmed orders. Our consolidated revenue from international sales and distribution of electric equipment for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 85.96 million, ₹ 302.97 million, ₹ 294.69 million and ₹ 223.71 million, respectively, which contributed to 1.41%, 2.61%, 2.63% and 2.22%, respectively, of the gross consolidated revenue from operations for the respective periods.

RESEARCH AND DEVELOPMENT

We undertake research and development to consistently upgrade the technology used in our products and processes. The Gurgaon R&D Centre and the Kundli R&D Centre are approved by the DSIR and employ over 105 engineers with a dedicated team of engineers who manage our Tool Rooms. Our testing facility at Gurgaon Facility II has been accredited by the NABL to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing. We believe that our in-house R&D Centres enable us to introduce innovative solutions to meet the varied electric equipment needs of our customers and achieving time efficiency in development of new products and technologies.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, we incurred consolidated expenditure of ₹ 33.03 million, ₹ 61.29 million, ₹ 67.37 million and ₹ 60.03 million, respectively, on research and development, which contributed to 0.63%, 0.61%, 0.69% and 0.69% of our consolidated total expenses for such periods, respectively.

Tool rooms



We also have two Tool Rooms at our R&D Centres, where we have in-house component designing and tool designing facilities. We manufacture tools for a complete range of MCBs, MCCBs, the internal and external (meter cupboard) for our meters, changeover switches, switch fuse units and LED lamps and certain necessary tools for H.R.C. Fuses and CFLs. Our Tool Rooms are used for making rapid prototypes, followed by moulding designs for tools that are used to ensure efficient moulding process. We manufacture a variety of moulds at our Tool Rooms, including plastic injection moulds, plastic compression moulds, pressure die cast moulds and sheet metal moulds. These Tool Rooms are equipped with CNC machines, which ensures production of quality moulds and tools. The data for our Tool Rooms is generated using CAD software and CNC machines that assist in maintaining accuracy of the tools produced therein. We believe that our Tool Rooms allow us to easily adapt to changes in technology or modified specifications given by Power Utilities and/or institutional customers.

INVENTORY MANAGEMENT

We believe that we have a robust inventory management system. We have appointed carrying and forwarding agents who are responsible for storing, billing and delivering the electric equipment to our authorized dealers. As on September 30, 2015 we had appointed carrying and forwarding agents across 21 states and union territories across India. We pay our carrying and forwarding agents a monthly commission fixed in accordance with the expected minimum sale guarantee to be achieved by the carrying and forwarding agent. In the event the agent achieves sales in excess of the minimum sale guarantee, the rates of products sold by the agent may be entitled to a discount. The rate of commission also varies with the product vertical and ranges between 1.50% and 2.50% of the value of the electric equipment or lighting equipment sold from such agent's facility.

We are responsible for delivery of the electric equipment at the storage facility of the carrying and forwarding agent. Further, we are responsible for maintaining insurance on the electric equipment and for ensuring delivery to the authorized dealer. The carrying and forwarding agent is also responsible for raising invoices, to be honored by the authorized dealer directly in favor of our Company, and actively assist our Company in depositing all payment instruments received against the sale of the electric equipment. Further, our agents are also contractually required to maintain records of stock entering and exiting their storage facilities and the stock available their storage facilities at any given point of time. We monitor and analyze the inventory levels at the storage facilities of our carrying and forwarding agents and are also entitled to enter upon their premises to take account of the stock available therein at any time.

BRAND MANAGEMENT

Our electric equipment are sold under the umbrella brand 'HPL' and several other sub-brands. We also sell our products under various sub-brands, such as 'bsafe', 'HPL Techno', 'HPL Rakshak', 'intelliSMART', 'intelliPROTECT', 'intelliTAB', 'intelliCONTROL', 'smART' and 'Pathlite'. We enjoy a significant brand recall and customer loyalty, particularly in the switchgear market (*Source: Frost & Sullivan Report*). We seek to enhance our brand image by introducing new sub-brands under our umbrella brand, while adding value to our existing brand of electric equipment through technological advancement. For the six months ended September 30, 2015 and March 31, 2015, we incurred ₹ 358.68 million and ₹ 880.08 million, respectively, as selling and distribution expenses, on a consolidated basis.

Our marketing plan involves increasing our visibility through increased advertising in print and social media, television campaigns and increasing our one-to-one interactions with our authorized dealers and customers. We also have a creative team, which is responsible for designing product catalogues and brochures.

Our sales and marketing team, comprising 628 full-time employees located at our branch offices, representative offices and at our corporate office. Our sales and marketing team undertakes various promotional activities including conducting seminars and exhibitions, dealer meets and one-to-one customer interactions.

COMPETITION

We operate in a highly competitive industry, with participants in the organized and the unorganized sector. While we are market leader in the meters market and enjoy a significant brand recall in the switchgears market (*Source: Frost & Sullivan Report*), we continue to compete with international and domestic manufacturers engaged in the manufacture and supply of metering solutions, switchgears, lighting equipment and wires and cables, as well as from players in the unorganized sector. Set forth below are our significant competitors in each of our product verticals.



Product vertical	Competitors
Metering solutions	Secure Meters Limited, Genus Power Infrastructures Limited, Larsen & Toubro Limited and Landis+Gyr
Switchgears (primarily LV switchgear)	Larsen & Toubro Limited, Schneider Electric and ABB Limited, Havells Industries Limited, Legrand India Private Limited and Anchor Electricals Private Limited
Lighting equipment (LED lamps and luminaires)	Philips India Limited, Wipro Enterprises Limited, Surya Roshni Limited, Bajaj Electricals Limited, Havells Industries Limited, C&G LED Lighting Company Limited
Lighting equipment (CFLs)	Philips India Limited, Wipro Enterprises Limited, Surya Roshni Limited, Bajaj Electricals Limited, Havells Industries Limited, C&G LED Lighting Company Limited, OSRAM Licht AG, Crompton Greaves Limited, GE Lighting, Orient Electric, Halonix Technologies Limited, Venture Lighting India Limited, Finolex Cables Limited, Anchor Electricals Private Limited, THORN Lighting Limited
Wires and Cables	Polycab, Finolex Cables Limited, Havells Industries Limited, R.R. Kabel Limited, KEI Industries Limited and a large number of unorganized participants

(Source: Frost & Sullivan Report)

HUMAN RESOURCES

As on December 31, 2015 we had 1,943 employees, all of whom were employed on a full-time basis in our operations. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration and providing equal employment opportunities. These employees are employed in various capacities, including as engineers and service engineers, marketing personnel, accountants and other workers. Recruitment of personnel in different categories is carried out by the human resources department of our Company, pursuant to receipt of requisite approvals from the competent authority, as required under our recruitment policy. We also provide training to our employees, at various levels of seniority, with the objective of improving quality of work force, enhancing employee growth, preventing obsolescence of technology, assisting new employees to adapt to the work environment of the Company, bridging the gap between planning and implementation and to create awareness amongst employees regarding the health and safety measures relating to their employment and role in the organization. Our employee training and development initiatives include both ‘on the job’ and ‘off the job’ methodologies and emoluments of our employees are based on their performance.

While we consider our relationship with our employees to be amicable and presently are not involved in any dispute with our workforce. Our Company has a workers’ union, the Jabli Workers Union, at our Jabli Facility. Our Company entered into a settlement agreement dated November 9, 2015 with the Jabli Workers’ Union, which is valid for three years from the date its execution.

INTELLECTUAL PROPERTY

We own the registered trademark on the ‘HPL’ logo under classes 7, 9 and 11. We also own a registered trademark for our sub-brand ‘HPL Techno’ under class 9. Additionally, we have applied for registration or renewal of registration of seven trademarks under various classes, including for our sub-brands ‘HPL Rakshak’ and ‘HPL GLO’, which are currently pending approval.

For further details on our trademark registrations and applications made, see “**Government and Other Approvals**” on page 323.

INSURANCE

Our Company and operations are subject to various hazards inherent in the manufacturing industry, such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure event, acts of terrorism and other hazards that may cause personal injury, loss of life, damage to property and equipment and environmental damage. Our Company maintains insurance policies in respect of our business, assets or stocks, machinery, building and equipment. We maintain fire and special perils policy with add on cover for earthquakes and in certain cases, terrorism, for our manufacturing facilities, machinery and other equipment and for the electric equipment that we manufacture. We also maintain insurance against theft and burglary for our stocks in trade and goods held in trust. Additionally, we maintain marine cargo open policies to cover various risks during the transit of goods anywhere in the country. Additionally, we have a group personal accident policy for our employees and group medical policies for our employees and their families.



REAL PROPERTY

Our Registered and Corporate Office, situated at 1/21, Asaf Ali Road, New Delhi 110 002, India, is occupied by us pursuant to a license agreement dated May 28, 1992, with Havell's Private Limited, our Promoter. The license agreement is valid until mutually terminated by the parties to such license agreement, and may be terminated by either party on giving notice in advance of three months to the other party. All, except one, of our manufacturing facilities are situated on land owned by our Company. Additionally, we take on lease, premises for warehousing purposes and for establishing our branch offices.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

For information on governmental and regulatory approvals obtained by us, see “Government and Other Approvals” on page 323.

REGULATIONS PERTAINING TO ELECTRIC EQUIPMENT MANUFACTURING INDUSTRY

The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (the “Quality Control Order”)

The Quality Control Order, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI (“DIPP”), prohibits the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) and accessories that do not conform to the standards specified in such order and that do not bear that standard mark issued by the BIS. The Quality Control Order directs a manufacturer of electric wires, cables and protection devices, amongst others, to commence manufacture of such electric equipment only after obtaining a license from the BIS for the use of standard mark. Further, it requires any sub-standard or defective electrical wires, cables, appliances, protection devices or accessories to be deformed by such manufacturer beyond use and disposed of as scrap. The Central Government is authorized to appoint an officer who shall be empowered to require any person engaged in the manufacture, storage, sale or distribution of electrical equipment to furnish information and samples in relation to the electric equipment manufactured, stored, sold or distributed, as the case may be, inspect any books or documents and search any premises and seize electric equipment in case of contravention of the Quality Control Order.

Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (“Compulsory Registration Order”)

The Compulsory Registration Order issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India (“DEIT”) prohibits manufacturing, storage, import, sale or distribution of goods which do not conform to the specified standard and do not bear a self-declaration confirming conformance to relevant Indian Standard after obtaining registration from the BIS except for the goods that are manufactured for export. Further, the Compulsory Registration Order mandates that the sub-standard or defective goods which do not conform to the specified standard shall be deformed beyond use by the manufacturer and disposed of as scrap. The DEIT made an addition to the said schedule pursuant to notification no. S.O. 2905(E) dated November 7, 2014 by including self-ballasted LED Lamps for general lighting services and fixed general purpose luminaires, under the Compulsory Registration Order directing the manufacturers of LED lamps and general lighting services mandatorily to obtain BIS registration.

Guidelines for Environmentally Sound Mercury Management in Fluorescent Lamp Sector (“Fluorescent Lamps Guidelines”)

The Central Pollution Control Board, Ministry of Environment and Forests, Government of India (“CPCB”) has laid down the Fluorescent Lamps Guidelines, recommending measures and standards for environmentally sound management of mercury in the fluorescent lamps sector. Pursuant to these guidelines, manufacturers of fluorescent lamps, including CFLs and fluorescent tube lights, are required to comply with certain safety measures for proper handling of mercury in the manufacturing of such lamps, in order to minimize environmental impact. These guidelines recommend measures for process technology, raw mercury distillation, on-site storage, treatment and disposal of mercury wastes, including the establishment of lamp recycling units, mercury handling and mercury spill management. The Fluorescent Lamps Guidelines also recommend that manufacturers may include information in the packing of fluorescent lamps detailing the precautions in case of lamp breakage at the consumer level. The Fluorescent Guidelines also prescribe certain measures to be taken by domestic and bulk consumers,



including methods of lamps disposal, cleanup of broken fluorescent lamps and collection, treatment and recycling of such lamps.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (“Safety and Electric Supply Regulations”)

The Safety and Electric Supply Regulations lay down general safety requirements with respect to electric supply lines and apparatus, including meters, switchgears, switches and cables. It requires all electric supply lines and apparatus to have adequate rating for power, insulation and estimated fault current and be of adequate mechanical strength for the duty cycle such apparatus may be required to perform and are required to be constructed, installed, protected, worked and maintained in a manner that will ensure safety of human beings, animals and property. It further requires all electric material and apparatus to conform to the relevant specifications prescribed by the BIS or the International Electro-Technical Commission, as applicable. Further, the Safety and Electric Supply Regulations mandates the installation of a suitable switchgear in each conductor of every service line within a consumer’s premises, excluding earthed, earthed neutral or earthed external conductor and also requires that such switchgear be encased in a fireproof receptacle.

Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended (“Installation and Operation of Meters Regulations”)

The Installation and Operation of Meters Regulations prescribe the type, standards, ownership, location, accuracy class, installation, operation, testing and maintenance, access, sealing, safety, meter reading and recording, meter failure or discrepancies, anti-tampering features, quality assurance, calibration and periodical testing of meters, additional meters and adoption of new technologies in respect of interface, consumer, energy accounting and audit meters for accurate accounting, billing and audit of electricity. These regulations are applicable to all meters that are installed or to be installed by all the power generating, transmitting and distribution companies and licensees under the Electricity Act and to all categories of consumers. All meters are required to comply with standards prescribed by the BIS, and consumer meters are also required to comply with any additional specification that may be prescribed by the Central or applicable state Electricity Regulatory Commission. The Installation and Operations of Meters Regulations prescribe specific accuracy classes, anti-tampering features, safety measures and instructions and location for installation of meters. Further, these regulations require that the testing centers for meters that are installed by licensees under the Electricity Act be accredited by the NABL.

The Electricity Act, 2003, as amended (“Electricity Act”)

The Electricity Act regulates and governs the generation, transmission and distribution of electricity in India, including by specification of safety standards in relation to electrical supply. The Electricity Act further controls the transmission and use of electricity, including through specifying action to be taken in relation to any electric line or 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. Accordingly, it requires every licensee including transmission and distribution companies under the Electricity Act to supply electricity only through the installation of a correct meter in accordance with regulations made by the Central Electricity Authority (“CEA”) in this regard. The Central or state Electricity Regulatory Commission is empowered to adjudicate in respect of any non-compliance with such requirement. Additionally, the Electricity Act levies penalties, including imprisonment, for tampering with and unauthorized use of meters.

National Electric Code (“NEC”)

The NEC is an advisory framework prepared by the BIS in 1985 and subsequently revised in 2011, which contains various established codes of practice to provide assistance on the economic selection, installation and maintenance of electric equipment. The provisions of the NEC are presently not mandatory but are expected to serve as a model for adoption, promoting safety and economy, intending to keep Indian electrical installation practices on par with international best practices. The NEC provides guidelines on the general characteristics of electrical installations, supply characteristics and parameters, including those for switchgears and protection devices, service lines and meters. The NEC is applicable to electrical installations in, amongst others, domestic dwellings, commercial centers and industrial premises, and is applicable to circuits other than internal wiring of electrical apparatus. However, the NEC excludes the requirements falling under the purview of power utilities and tariff related guidance.

LABOUR RELATED LEGISLATIONS

The Factories Act, 1948 (“Factories Act”)

The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of workers. It applies to industries in which 10 or more workers are employed on any day of the preceding 12 months in any manufacturing process carried on with the aid of power, or 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Industries (Development and Regulation) Act, 1951, as amended (the “IDR Act”)

The IDR Act seeks to regulate certain specified industrial undertakings including the electrical equipment industry engaged in the manufacturing of electrical lamps, electrical furnaces, electronic equipment and electrical cables and wires, amongst others. These industries are required to register with the GoI and obtain a license for the establishment and commencement of manufacturing such products. The registration so obtained shall contain details of installed and production capacity of such industrial undertaking. The GoI is empowered to revoke the registration or the license so granted in certain circumstances. Pursuant to the provisions of the IDR Act, the GoI is empowered to investigate or cause an investigation into and issue appropriate directions, in relation to an industrial undertaking where it is of the opinion that there has been an unjustified substantial fall in the production volume, marked deterioration in the quality of products manufactured, has been or is likely to be an unjustified increase in price of products manufactured therein, it is necessary to protect resources of national importance that is used in the manufacture of the products therein or where the industrial undertaking is managed to the detriment of the industry or public interest.

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

The CLRA requires an establishment covered under it to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract laborers. The CLRA vests the responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of rest rooms, providing drinking water and first aid facilities and payment of wages. A person in contravention of the provisions of the CLRA may be punished with a fine 9or imprisonment, or both.

In addition to the above mentioned legislations, the following enactments in respect of labour, are also applicable to our Company and its Subsidiary.

- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees’ State Insurance Act, 1948;
- The Payment of Bonus Act, 1965;
- The Payment of Gratuity Act, 1972;
- Workmen’s Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- Payment of Wages Act, 1936;
- The Equal Remuneration Act, 1976;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- The Child Labour (Prohibition & Regulation) Act, 1986;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979; and
- Shops and Establishment Acts of the various states where we have our operations.

ENVIROMENT RELATED LEGISLATIONS

The Environment (Protection) Act, 1986 as amended, (“**Environment Protection Act**”), the Water (Prevention and Control of Pollution) Act, 1974, as amended, (“**Water Act**”) and the Air (Prevention and Control of Pollution) Act, 1981, (“**Air Act**”) provide for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe:

- (i) The standards of quality of air, water or soil for various areas;
- (ii) The maximum allowable limits of concentration of various environmental pollutants for different areas;
- (iii) The procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents

In the exercise of powers conferred under the Environment Protection Act, the Central Government has framed the Environment (Protection) Rules, 1986, as amended (“**Environment Rules**”). Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring under Water Act or Air Act or shall submit to the concerned state pollution control Board, an environmental statement for that financial year in the prescribed form.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”) imposes liability on the owner or controller of hazardous substances for death or injury to any person (other than a workman) or any damage to property arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to an insurance policy insuring him against liability under the legislation. The Public Liability Insurance Rules, 1991 mandate that the owner has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 require every occupier and operator of a facility generating hazardous waste to obtain prior approval from the relevant state pollution control board and in case of recycling the hazardous waste permission from the central pollution control board needs to be obtained. The occupier, the transporter and the operator are liable for damage to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier are liable for any fine that may be levied by the relevant pollution control board.

REGULATIONS REGARDING FOREIGN INVESTMENT

Under the current consolidated FDI Policy, effective from May 12, 2015, issued by the DIPP including any modifications thereto or substitutions thereof, issued from time to time (the “**Consolidated FDI Policy**”) which consolidates the policy framework on FDI, 100% through automatic route is permitted in the manufacturing sector.

INTELLECTUAL PROPERTY RIGHTS LAWS

The Trademarks Act, 1999

The Trademarks Act, 1999 (the “**Trademarks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. Application for registration of a trademark is to be made to the Controller-General of Patents, Designs and Trademarks who acts as the Registrar of Trademarks for the purposes of the Trademarks Act. The Trademarks Act prohibits any registration of deceptively similar trademarks. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.



HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘HPL-Socomec Private Limited’ on May 28, 1992, a private limited company under the Companies Act 1956, with the RoC. Pursuant to a resolution of our Board of Directors dated January 21, 2010 and a resolution of our shareholders dated February 18, 2010, the name of our Company was changed to HPL Electric & Power Private Limited and a fresh certificate of incorporation was issued upon change of name by the RoC on March 10, 2010. Further, pursuant to conversion of our Company to a public limited company, our name was changed to ‘HPL Electric & Power Limited’ and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on December 14, 2015.

Our Company was formed pursuant to a joint venture agreement dated October 24, 1991, between Socomec and HEPL for the purpose of manufacturing and marketing on-load changeover switches and allied electrical accessories made by Socomec, manufacturing and exporting components to Socomec. Subsequently, our Promoters, Mr. Lalit Seth and HIL, and members of our Promoter Group, Ms. Praveen Seth, Mr. Gautam Seth and Mr. Rishi Seth, acquired the entire shareholding of Socomec in our Company, pursuant to share transfers. For details of build-up of the shareholding of our Promoters, see “*Capital Structure*” on page 70. Additionally, our Company entered into a settlement and release agreement dated February 4, 2015 with Socomec and Socomec India Private Limited pursuant to which our working relationship with Socomec was terminated. Further, pursuant to the provisions of this settlement and release agreement, our Company paid ₹ 112.70 million to Socomec India Private Limited.

Our Company has 11 shareholders, as on the date of this Draft Red Herring Prospectus. For further details, see “*Capital Structure*” on page 70.

Changes in Registered Office

The Registered Office of our Company is situated at 1/21, Asaf Ali Road, New Delhi 110 002, India. The Registered Office of our Company has not changed since incorporation.

Major Events

Calendar year	Event
1992	Incorporation of our Company under the Companies Act 1956
1998	Commencement of production of electronic/static energy meters at the factory situated at Gurgaon Facility I
2008	HPTL Scheme of Amalgamation pursuant to which our Company acquired the lighting equipment business Commencement of production and manufacture of lighting equipment at our Sonapat Facility
2010	Change of name of our Company from HPL-Socomec Private Limited to HPL Electric & Power Private Limited Commencement of production and manufacture of meters at our Gurgaon Facility II
2011	Commencement of production and manufacture of switchgears at our Kundli Facility
2014	Commencement of the production of wires and cables at the factory located at our Gharaunda Facility
2015	Conversion of our Company into a public limited company Commencement of manufacture of LED products Settlement with Socomec pursuant to which our promoter and promoter group acquired the entire shareholding of Socomec in our Company

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

- To carry on the business of and manufacture, assemble, produce, buy, sell, install, distribute, commission, import, export, repair, hire, let-out on hire, alter, exchange or otherwise deal in either alone or jointly with any other company or companies, person or persons in Electronic/energy meters of all types and complete range of Energy Management Systems such as ammeters, voltmeters, energymeters, frequency meters, kilowatt meters, gas meters, water meter, speedometers, taximeters, wallmeters, power factor meters, wallhour meters etc., and switches of all varieties including domestic and industrial such as, single pole, multiple pole, Changeover switches, switchgears, MV/LV switchgears, Gas insulated Switchgear, Isolator, LT and HT switches & switchboards, Control Panels, Motor Control Centers, Power Control Center,



Distribution Boards either in fixed or non drawout execution or in drawout execution, either in indoor or outdoor switches, switch fuses, fuse switches, iron clad switches, HRC fuses, fuse bases, Circuit breaker of all types such as air circuit breakers, moulded case circuit breakers, miniature circuit breakers, vacuum circuit breakers, vacuum interrupters, vacuum contactors, contractors, overload relays, protective relays, push buttons, indicating lamps, toggle switches, rotary and cam switches, switch-board, Ring main unit, Traffic signals, Railway signaling equipments, Bakelite and plastic components casting, Energy management & protection device & systems, Bus duct system, Manual Motor starters, Motor control system, Distributed control system., current transformers, voltage transformers, control transformers, timers and accessories and spare parts thereof, bell push, fan regulators, dimmers, fuses, TV outlets, loud-speaker outlets, Telex outlets, plug sockets and accessories thereof such as junction boxes, frames, surface mounting and flush mounting boxes, Solar equipments & products and all kinds of electronic accessories, appliances, implements, components, instruments, equipments, stores and spares, spare parts, devices, contrivances, apparatus and supplies related to or connected with the aforesaid, and to develop, buy, install, trade and operate software/programs of any kind to operate the above products and all electric & electronic goods adapted, invented and discovered in future.

- To carry on the business of manufacturing, assembling, fabricator altering, exchanging, buying, selling, importer, exporters or otherwise dealing in all type of electrical and electronic instruments, equipment and appliances of all kinds such electric motors, fans, air coolers, washing machines, music systems, Air conditioners, microwaves, camera, water heater/purifier and other-white goods and home appliances including Solar appliances, bulbs, all kind of Lighting /Electric lamps such as Compact Fluorescent Lamps (CFL), Light Emitting Diode (LED), Luminaries., gas filled Lamps (GLC Lamps), fancy shades, electric discharge tubes, Solar based Lighting Luminaries, tummous, electric sign devices, signaling lights & devices, fumances, electronic radar equipments, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments, injection moulding and basic components such as valves transistors, condensers resistors connectors switches, relays capacitors diodes, semiconductors, power semiconductors, integrated circuits, printed circuits, apoxy moulded devices micromotors, thermistors, trimmers cores memorystacks coils, memorystacks coils, magnetic materials & microwave components, radiograph, photograph Dictaphones, electronic desk calculators, radio communication sets, Television sets and all sorts of electrical and electronic hardware and wireless sets, micrometers, dial indicators, insulation testers, coontem scientific meters, pressures and vacuum gauges, pseilloscopes, stroboscops, thermostate, temperature controller pytometer minning, dials measuring instruments, electronic reorders, all kind of cables and wire and a11 kinds of electronic accessories, appliances, implements, components, instruments, equipments, stores and spares, spare parts, devices, contrivances, apparatus and supplies related to or connected with the aforesaid, and all electric & electronic goods adapted, invented and discovered in future.*
- To construct, lay down, establish, promote, erect, build, install, commission, carry out, Own and operate all type of power station/substations, GIS projects, works-shops, repair-shops, wire, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution and supply of electricity to participating industries, state electricity boards and other boards for industrial, commercial, domestic public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines and to manage, operate, owned and deals in hotel, resorts and hospitality industries.*
- To carry on all or any of the business of producers, creators, manufacturers, generators, purchaser, suppliers, distributors, transformers., converters, transmitters, processors, developers, stores, procurers, carriers and dealers in Power and electricity, all form of energy and any such products and by-products derived from such business, projects of power converters, including without limitation, steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including, without limitation to conventional sources such as heat, thermal, hydel and or from non-conventional sources such as tidal wave, wind, solar, nuclear, geothermal, biological, biogas, and coal bed methane and any other source and technology introduce from time to time and to acquire concession, facilities or licenses from electricity boards, government, semi government or local authorities for generation, distribution, production, transmission or use of electric power.*

Changes in Memorandum of Association

Set forth below are the details of amendments made to our Memorandum of Association since incorporation :



Date of Amendment/Shareholders Resolution	Amendment
September 25, 1997	The authorized share capital of our Company of ₹ 2,000,000 divided into 20,000 equity shares ₹ 100 each was sub-divided into ₹ 2,000,000 divided into 200,000 equity shares of ₹ 10 each and further, this authorized share capital was increased to ₹ 12,000,000 divided into 1,200,000 equity shares of ₹ 10 each
June 23, 1999	The authorized share capital of our Company of ₹ 12,000,000 divided into 1,200,000 equity shares ₹ 10 each was increased to ₹ 24,000,000 divided into 2,400,000 equity shares of ₹ 10 each
August 5, 1999	The authorized share capital of our Company of ₹ 24,000,000 divided into 2,400,000 equity shares ₹ 10 each was increased to ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each
December 2, 2008	The authorized share capital of our Company of ₹ 35,000,000 divided into 3,500,000 equity shares ₹ 10 each was increased to ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each
May 14, 2009	The authorized share capital of our Company of ₹ 100,000,000 divided into 10,000,000 equity shares ₹ 10 each was increased to ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each
March 10, 2010	The name of the Company was changed from 'HPL-Socomec Private Limited' to 'HPL Electric & Power Private Limited'
April 15, 2010	The authorized share capital of our Company of ₹ 120,000,000 divided into 12,000,000 equity shares of ₹ 10 each was increased to ₹ 180,000,000 divided into 18,000,000 equity shares of ₹ 10 each
March 21, 2011	Sub - Clauses A, B and C of Clause III of our Memorandum of Association were altered and replaced with new sub Clauses A, B and C of Clause III, to reflect the changed objects of our Company
August 23, 2012	The authorized share capital of our Company of ₹ 180,000,000 divided into 18,000,000 equity shares of ₹ 10 each was increased to ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each
November 16, 2015	The authorized share capital of our Company of ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each was increased to ₹ 700,000,000 divided into 70,000,000 equity shares of ₹ 10 each
December 9, 2015	The Company was converted from a private limited Company into a public limited company and consequently the name of our Company was changed from HPL Electric & Power Private Limited to HPL Electric & Power Limited

Other Details Regarding Our Company

For information on our activities, products manufactured, growth, technology, market for each segment, capacity build up, foreign operations, our standing with reference to our prominent competitors, major suppliers and customers, environmental issues, see, “*Our Business*” and “*Industry Overview*” on pages 127 and 99, respectively. For details of our management and managerial competence and for details of shareholding of our Promoters, see “*Our Management*” and “*Capital Structure*” on pages 155 and 70, respectively.

Injunction or Restraining Order

Our Company is not operating under any injunction or restraining order as on the date of this Draft Red Herring Prospectus.

Capital Raising Activities through Equity and Debt

For details of issuances of our Equity Shares, see “*Capital Structure*” on page 70 and for details of the debt facilities availed by our Company, outstanding as of December 31, 2015, see “*Financial Indebtedness*” on page 309.

Changes in the Activities of our Company during the Last Five Years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company 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 financial institutions or banks. Further, there has not been any conversion of debt into Equity Shares.

Lock outs and strikes

The members of the Jabli Workers Union had raised certain demands for monetary benefits, service benefits and other compensation, amongst others pursuant to their two demand notices. On account of alleged non-fulfilment of these demands, these members resorted to a strike with effect from September 3, 2015. The Joint Labour Commissioner, Shimla referred this matter to the Industrial Tribunal cum Labour Court, Shimla for adjudication pursuant to its order dated September 15, 2015. Subsequently, the members of the Jabli Workers Union requested the Labour Commissioner, Shimla for an opportunity to settle the disputes with the management of the Company. Thereafter, both the parties to the dispute mutually agreed to settle the existing disputes arising out of the aforementioned demand notices, pursuant to an order dated November 5, 2015 of the Labour Commissioner, Shimla and entered into a settlement agreement dated November 9, 2015, valid for a period of three years. However, it was decided that since the strike stood prohibited with effect from September 15, 2015, our Company was required to pay salary/wages only until such date and thereafter, no payment was required to be made. Except as stated hereinabove, our Company has not, until date, faced any strikes or lock-outs.

Time and cost overrun

As on the date of this Draft Red Herring Prospectus, there has been no material time or cost overrun in setting up any of the manufacturing facilities of our Company.

Acquisition of Business/Undertakings, Mergers, Amalgamations, Revaluation of Assets***Acquisition of Himachal Energy***

Our Group Companies, Himachal Energy and HPL Projects Portfolio Private Limited, filed a petition (C.P. 14 of 2015) for the approval of the Scheme of Demerger with the High Court of Himachal Pradesh for the demerger of the investment division of Himachal Energy into HPL Projects Portfolio Private Limited and the reduction of post demerger share capital of Himachal Energy. Pursuant to this scheme, Himachal Energy will cancel its existing issued and paid up share capital and issue and allot one fully paid up equity share of ₹ 10 to its equity shareholders for every 50 equity shares of ₹ 10 each held in Himachal Energy and also issue and allot one 10% cumulative compulsorily redeemable preference shares (“CRPS”) of ₹ 10 each, credited as fully paid up, to its equity shareholders for every two equity shares of ₹ 10 each held in Himachal Energy. Post scheme of demerger the paid-up equity share capital of Himachal Energy shall be ₹ 4.4 million. Following the implementation of the Scheme of Demerger, our Company will convert 15,000,000 optionally convertible debentures of Himachal Energy that it currently holds, into equity shares of Himachal Energy. After such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy, and Himachal Energy will accordingly, become our subsidiary.

There will be no change in the capital structure of our Company resulting from the implementation of the Scheme of Demerger. The Scheme of Demerger is currently subject to final approval of the High Court of Himachal Pradesh, which by its order dated December 8, 2015, has dispensed with the requirement of convening a meeting of the shareholders and creditors of Himachal Energy and HPL Project Portfolio Private Limited. Himachal Energy has filed an application (C.P. 15 of 2015) for the approval of the Scheme of Demerger before the High Court of Himachal Pradesh, which is currently pending. We have included proforma financial statements, considering Himachal Energy as our subsidiary, in this Draft Red Herring Prospectus. For more information, see “*Financial Statements – Proforma Financial Statements*” on page 276.

Scheme of Amalgamation of HPTL with our Company

Our Company and HPTL filed the Scheme of Amalgamation (Company Petition No. 175/2008 connected with Company Application (M) No. 90/2008) before the High Court of Delhi for its approval, under sections 391 to 394 of the Companies Act 1956. The HPTL Scheme of Amalgamation was sanctioned by the High Court of Delhi pursuant to an order dated October 22, 2008 which was subsequently filed before the RoC on December 2, 2008. The appointed date under the HPTL Scheme of Amalgamation was April 1, 2008.



The salient features of the HPTL Scheme of Amalgamation are stated hereunder.

- (i) The entire business and the undertaking of HPTL, including its immovable properties as well as other assets, capital work-in-progress, current assets, investments, approvals and consents, licenses, intellectual property rights, titles in favour of HPTL, environmental clearances and all other interests arising in favour of HPTL were transferred to and vested in our Company;
- (ii) All liabilities, duties and obligations including income tax and other statutory liabilities, whether provided for or not in the books of accounts of HPTL devolved and were transferred or were deemed to be transferred without any further act or deed to our Company;
- (iii) All contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which HPTL was a party, remained in full force and effect against or in favour of our Company;
- (iv) The transfer of the assets and liabilities of HPTL to our Company and the continuance of all the contracts or legal proceedings by or against HPTL did not affect any contract or proceedings relating to such assets or the liabilities already concluded by HPTL on or after the appointed date under the HPTL Scheme of Amalgamation, April 1, 2008;
- (v) All legal proceedings involving HPTL were deemed to be instituted by or against our Company;
- (vi) All the employees of HPTL were engaged by our Company without any break or interruption in their service and on the same terms and conditions on which they were engaged by HPTL;
- (vii) Our Company issued and allotted 702 Equity Shares in our Company, as fully paid up, to the members of HPTL, for every 1,000 equity shares of ₹ 10 each held in HPTL.
- (viii) The authorized capital of HPTL was added to and formed part of the authorized capital of our Company. Accordingly, the authorized capital of our Company stood increased to this extent; and
- (ix) The HPTL Scheme of Amalgamation was an amalgamation in the nature of merger as defined in the Accounting Standard 14 ("AS 14") as prescribed under the Companies (Accounting Standards) Rules, 2006, and was accordingly accounted for under the pooling of interests method in accordance with the said AS-14.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary. However, subsequent to the implementation of the Scheme of Demerger and conversion of 15,000,000 optionally convertible debentures of Himachal Energy held by us into its equity shares, Himachal Energy will become a subsidiary of our Company.

Himachal Energy was incorporated under the Companies Act 1956 on July 3, 2003, as a private limited company with the RoC. Its corporate identity number is U31909HP2003PTC027983. The registered office of Himachal Energy was transferred from the state of Delhi to the state of Himachal Pradesh pursuant to which, a new certificate of registration was issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh on February 17, 2005. The registered office of Himachal Energy is situated at village Shavela, Jabli, Kasuli 173 209, Himachal Pradesh, India. Himachal Energy is currently engaged in the business of manufacture of electric meters and other related products.

The authorized share capital of Himachal Energy is ₹ 220,000,000.00 divided into 22,000,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 220,000,000.00 divided into 22,000,000 equity shares of ₹ 10 each. Our Company holds 0.004% of the issued, subscribed and paid-up equity share capital of Himachal Energy.

Financial Performance

Certain details of the audited financials of Himachal Energy for fiscal 2015, 2014 and 2013 are set forth below.

	(₹ in million except per share data)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Equity capital	220.00	220.00	220.00
Reserves and surplus (excluding revaluation)	742.19	811.19	889.16
Total Revenue	1,110.53	1,039.06	941.17



	Fiscal 2015	Fiscal 2014	Fiscal 2013
Profit/(Loss) after tax	122.06	117.65	98.00
Earnings per share (Basic)	5.55	5.35	4.45
Earnings per share (Diluted)	5.55	5.35	4.45
Net asset value per share	43.74	46.87	50.42

Significant Notes by Auditors

As on the date of this Draft Red Herring Prospectus, there are no significant notes by the auditors of Himachal Energy.

Profit-making Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company did not have any profit-making subsidiary that contributed more than 5% of the revenue, profits or assets of the Company on a consolidated basis.

Our Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company has entered into two joint venture agreements, pursuant to which, our Company has two joint ventures ("**Joint Ventures**"). Set forth below are the details of our Joint Ventures.

HPL Electric & Power Private Limited - Shriji Designs (JV) ("HPL-Shriji JV")

Our Company entered into a memorandum of understanding for a joint venture agreement dated October 30, 2010 with Shriji Designs ("**Shriji**"), a proprietorship firm, for implementation of a project involving design, supply, erection, testing and commissioning of 25 KV, single phase, 50 hz traction overhead equipment, switching stations, booster transformer stations and LT supply transformer stations including foundation structures and other ancillary equipment in the Pandabeswar (Excl) – Sainthia (Excl), (Grid 162-B) section of the eastern railways, pursuant to a Railway Electrification project in Allahabad (Uttar Pradesh). This joint venture agreement was subsequently amended on September 24, 2011 amending the profit sharing ratio between Shriji and our Company. Further, a minimum project cost was made payable to Shriji. Our Company was also designated as the lead partner with the lead management responsibility for implementation of the project.

Our Company is entitled to receive 97% of the profits earned pursuant to the Joint Venture and Shriji is entitled to receive 3% of the profits in accordance with the joint venture agreement. The joint venture agreement is valid until completion of the project, including maintenance and guarantee period, or for such extended period as may be mutually agreed amongst the parties. The parties to the joint venture agreement are responsible to the Indian railways for the successful completion of the contract in accordance with the general and specific conditions of the issued by the Indian railways and are liable for any loss or damage caused to the Indian railways during the execution of the project.

HPL Electric & Power Private Limited – Shriji Designs – Trimurthi Hitech Company Private Limited (JV) ("HPL-Shriji-Trimurthi")

Our Company entered into a memorandum of understanding for joint venture agreement, dated June 22, 2011 with Shriji and Trimurthi Hitech Company Private Limited ("**Trimurthi**") for implementing a project involving design, supply, erection, testing and commissioning 25 KV, single phase, 50hz of traction overhead equipment, switching stations, booster transformer stations and LT supply transformer stations including foundation structures and other ancillary equipment in the Mathura (Excl) - Alwar (Excl) section (Grid 163) of the north central railway, pursuant to the Railway Electrification Project in Kota (Rajasthan). This joint venture agreement was subsequently amended on September 24, 2011, amending the profit sharing ratio amongst Shriji, Trimurthi and our Company. Further, a minimum project cost was made payable to Shriji and Trimurthi by our Company.

Our Company has been designated as the lead partner with overall lead management responsibility for implementation of the project. Our Company is entitled to receive 94% of the profits earned pursuant to the Joint Venture, while Shriji is entitled to receive 3% with the remaining 3% of the profit to be paid to Trimurthi. The joint venture agreement is valid until completion of the project, including maintenance and guarantee period, or for such extended period as may be mutually agreed amongst the parties.



The parties to the joint venture agreement are responsible to the Indian railways for the successful completion of the contract in accordance with the general and specific conditions of the contract with the Indian railways and for any loss or damages that may be caused to the Indian railways during the implementation of the project.

Collaboration Agreements

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreement.

Shareholders' Agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any shareholders' agreement.

Material Agreements

Agreement for supply of design

Our Company entered into an 'agreement for supply of design' dated June 30, 2015 with HIL, our Corporate Promoter, valid for a period of three years from the date of execution of the agreement, for continuous design and development of latest components and tools for its product offerings. As per the terms of this agreement, HIL was required to develop and supply component and tool designs of various products of our Company. Further, HIL was required to ensure that such designs were upgraded at all times in accordance with technology upgradations and changes in customer preferences, after relevant discussions with our Company. All copyright or any other intellectual property rights over the design belonged to our Company and HIL was prohibited from selling or transferring such intellectual property rights to any third person. The value estimated under this agreement for the supply of design by HIL was stipulated at ₹ 150 million, ₹ 180 million and ₹ 200 million for fiscal 2016, 2017 and 2018, respectively. This agreement is valid for a period of three years, until June 29, 2018.

Agreement for transfer of business

Our Company entered into 'agreement for transfer of business' dated August 1, 2015 with HIL, for the transfer of marketing and sales support division to our Company with effect from August 1, 2015. The transfer included acquisition of the business along with the assets, rights and interests, licenses, employees, records and goodwill, relating to the marketing and sales support division of HIL, in whole, as a going concern, free and clear of all charges and encumbrances. HIL was exclusively liable for all the liabilities in respect of the business, which pertained to the period prior to the date of transfer. Further, all litigations and claims thereof, pertaining to the marketing and sales support activities were the responsibility of HIL in case they arose in the period prior to the signing of the agreement. Pursuant to this agreement, services and employment of the employees were taken over by our Company from the date of transfer and their benefits such as gratuity, leave encashment etc. continued on the same terms and conditions. HIL was carrying on its business through its various branch offices, spread across India the leasehold rights of which were also transferred and vested with our Company. Additionally, all the rights, interest, liabilities and obligations under any contract, deed, memorandum of understanding entered into by HIL were deemed to be transferred and vested with our Company. The records of all warranties and guarantees received by HIL in connection with any items included in their marketing and sales support activities, were handed over to our Company. This agreement included the transfer of all the assets of marketing and sales support division of HIL in relation to the transferred business to our Company at book value. However, all litigation and claims arising prior to the signing of the agreement, were the responsibility and liability of HIL.

Except as stated hereinabove, as on the date of this Draft Red Herring Prospectus, we have not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of the Draft Red Herring Prospectus.

Strategic and Financial Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.



OUR MANAGEMENT

Our Articles of Association require us to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, we have 10 Directors on our Board, including five non-executive, Independent Directors (including one woman Director).

Set forth below are details of our Board of Directors as on the date of this Draft Red Herring Prospectus.

Name, Occupation, Term and DIN	Designation,	Age (years)	Address	Other Directorships
Mr. Lalit Seth		69	35, Sunder Nagar, New Delhi 110 003, India	<i>Indian public limited companies</i>
Designation: Chairman and Managing Director				1. HPL India Limited 2. HPL Power Corporation Limited
Occupation: Entrepreneur				
Term: For three years commencing from January 21, 2016*				<i>Indian private limited companies</i>
DIN: 00312007				1. Amerex (India) Private Limited 2. Amerex Private Limited 3. Havell's Private Limited 4. Havells Electronics Private Limited 5. Himachal Energy Private Limited 6. HPL Projects Portfolio Private Limited 7. Jesons Impex Private Limited 8. LK HPL Private Limited
Nationality: Indian				
Mr. Rishi Seth		45	35, Sunder Nagar, New Delhi 110 003, India	<i>Indian public limited companies</i>
Designation: Joint Managing Director				1. HPL India Limited 2. HPL Power Corporation Limited
Occupation: Entrepreneur				
Term: Three years with effect from January 21, 2016 until January 20, 2019 and liable to retire by rotation				<i>Indian private limited companies</i>
DIN: 00203469				1. Amerex Private Limited 2. Havells Electronics Private Limited 3. Himachal Energy Private Limited 4. Havell's Private Limited 5. HPL Projects Portfolio Private Limited 6. Jesons Impex Private Limited
Nationality: Indian				
Mr. Gautam Seth		44	35, Sunder Nagar, New Delhi 110 003, India	<i>Indian public limited companies</i>
Designation: Joint Managing Director				1. HPL India Limited 2. HPL Power Corporation Limited
Occupation: Entrepreneur				
Term: Three years with effect from January 21, 2016 until January 20, 2019 and liable to retire by rotation				<i>Indian private limited companies</i>
DIN: 00203405				1. Amerex Private Limited 2. Havells Electronics Private Limited 3. Himachal Energy Private Limited 4. HPL Projects Portfolio Private Limited 5. Jesons Impex Private Limited
Nationality: Indian				



Name, Occupation, Term and DIN	Designation,	Age (years)	Address	Other Directorships
Mr. Chandra Prakash Jain Designation: Whole-time Director Occupation: Service Term: Three years with effect from January 21, 2016 until January 20, 2019 and liable to retire by rotation DIN: 00311643 Nationality: Indian		55	GH-1 OA, Orchid Garden, Suncity, Sector 54, Gurgaon 122 002, Haryana, India	<i>Nil</i>
Mr. Vinod Ratan Designation: Whole-time Director and Chief Financial Officer Occupation: Professional Term: Three years with effect from January 21, 2016 until January 20, 2019 and liable to retire by rotation DIN: 07401017 Nationality: Indian		57	C-32, C-Block, Ashok Vihar, Phase – I, New Delhi 110 052, India	<i>Nil</i>
Mr. Tarun Sehgal Designation: Non Executive, Independent Director Occupation: Service (retired) Term: Two years with effect from January 14, 2016 DIN: 07384592 Nationality: Canadian		69	71, Crescent, Ontario Canada Reansbury Markham, L6C1Y3,	<i>Nil</i>
Mr. Jatinder Singh Sabharwal Designation: Non-executive, Independent Director Occupation: Retired from Service Term: Two years with effect from January 14, 2016 DIN: 07364399 Nationality: Indian		69	C-30, Sector 44, Noida, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India	<i>Nil</i>
Ms. Madhu Bala Nath Designation: Non Executive, Independent Director Occupation: Service		62	7210, DLF City, Phase IV, Gurgaon 122 009, Haryana, India	<i>Nil</i>



Name, Occupation, Term and DIN	Designation,	Age (years)	Address	Other Directorships
Term: Two years with effect from January 14, 2016 DIN: 01320110 Nationality: Indian				
Mr. Jainul Haque		69	B-2/702, PWO Housing Society, Sector 43, Gurgaon 122 002, Haryana, India	<i>Nil</i>
Designation: Non Executive, Independent Director Occupation: Retired from Service Term: Two years with effect from January 14, 2016 DIN: 00004762 Nationality: Indian				
Mr. Virender Kumar Bajaj		58	A 503, Mandakini Apartments, Plot 3 C, Sector 2, Dwarka, New Delhi 110 075, India	<i>Nil</i>
Designation: Non Executive, Independent Director Occupation: Retired from Service Term: Two years with effect from January 14, 2016 DIN: 07401106 Nationality: Indian				

* Subject to applicable provisions of the Companies Act 2013

Mr. Gautam Seth and Mr. Rishi Seth are sons of Mr. Lalit Seth. None of our other Directors are related to each other.

Brief Profile of our Directors

Mr. Lalit Seth, aged 69 years, is the Chairman and Managing Director of our Company. He has basic education. He has experience of over 40 years in the electric equipment manufacturing industry. He has been associated with our corporate Promoters prior to joining our Board since the incorporation of our Company.

Mr. Rishi Seth, aged 44 years, is the Joint Managing Director of our Company. He holds a bachelor's degree in commerce and a master's degree in business administration from Sri Satya Sai Institute of Higher Learning, Vidyagiri, Prasnathilayam, Puttaparthi. He has over 20 years of experience in the field of electric equipment manufacturing industry. He has been on our Board since April 14, 2000.

Mr. Gautam Seth, aged 43 years, is the Joint Managing Director of our Company. He holds a bachelor's degree in commerce from Sri Sathya Sai Institute of Higher Learning, Vidyagiri, Prasnathilayam, Puttaparthi and he is a qualified chartered accountant. He has over 15 years of experience in the electric equipment manufacturing industry. Prior to joining our Board on February 15, 2008, he was on the board of directors of Socomec-HPL Private Limited (now Socomec India Private Limited).

Mr. Chandra Prakash Jain, aged 55 years, is the Whole-time Director of our Company. He holds a bachelor's degree in electrical engineering from the University of Jodhpur, Rajasthan and a master's degree in business administration from the University of Rajasthan. He also holds a post-graduate diploma in statistical quality control from the Indian Association for Productivity, Quality and Reliability, Kolkata. He has over 25 years of



experience in the field of electrical electronic products manufacturing industry. Prior to joining our Board on May 18, 2005, he worked with Jaipur Metals and Electricals Limited and with Rajasthan Electronics and Instruments Limited. He also held the position of chairman of the metering division of the Indian Electrical and Electronics Manufacturers Association during fiscal 2014.

Mr. Vinod Ratan, aged 57 years, is the Whole-time Director and Chief Financial Officer of our Company. He holds a bachelor's degree in science from the University of Delhi. He is also a qualified chartered accountant. He was appointed as a Whole-time Director on January 16, 2016.

Mr. Tarun Sehgal, aged 69 years, is a non-executive, Independent Director of our Company. He is a qualified Canadian chartered professional accountant. He joined our Board on January 14, 2016.

Mr. Jatinder Singh Sabharwal, aged 69 years, is a non-executive, Independent Director of our Company. He holds a bachelor's degree in science from University of Delhi and has completed a program for senior executives from the Sloan School of Management, Massachusetts Institute of Technology, United States. He has over 25 years of experience in the field of sales and management. Prior to joining our Board on January 14, 2016, he worked with Blue Dart Express Limited and Brooke Bond India Limited.

Ms. Madhu Bala Nath, aged 62 years, is a non-executive, Independent Director of our Company. She holds a bachelor's degree in education from Annamalai University and a master's degree in arts from University of Delhi. She has over 20 years of experience in social service. Prior to joining our Board on January 14, 2016, she worked with the United Nations under various organisations in different capacities.

Mr. Jainul Haque, aged 69 years, is a non-executive, Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from APS University, Rewa (Madhya Pradesh). He has over 15 years of experience in the field of electrical industry. Prior to joining our Board on January 14, 2016, he worked with Indian Power Corporation Limited and Power Grid Corporation of India Limited

Mr. Virender Kumar Bajaj, aged 58 years, is a non-executive, Independent Director of our Company. He holds a bachelor's degree in commerce (honours) from University of Delhi and master's degree in commerce from Himachal Pradesh University. He is also a certified associate of the Indian Institute of Bankers. He has over 27 years of experience in the field of banking. Prior to joining our Board on January 14, 2016, he worked with Axis Bank Limited, UTI Bank Limited and the State Bank of India.

Further Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or NSE during the term of their directorship in such company.

None of our Directors is or was a director of a company that has been suspended from any stock exchange due to non-compliance with listing requirements.

Further, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

Compensation of our Directors

Set forth below is the remuneration paid by our Company to our Directors in fiscal 2015.

S. No.	Name of Director	Remuneration paid in financial year 2015 (₹ in million)
1.	Mr. Lalit Seth	36.09
2.	Mr. Rishi Seth	15.09
3.	Mr. Gautam Seth	15.09
4.	Mr. Chandra Prakash Jain	10.95
Total		77.22

Our Company has not entered into any service contract with any Director providing for benefits upon termination



of directorship.

Terms and conditions of employment of our Executive Directors

Mr. Lalit Seth

Mr. Lalit Seth was last appointed as a Managing Director of our Company for three years commencing from January 21, 2016, subject to the applicable provisions of the Companies Act 2013, at the meeting of our Board of Directors held on January 21, 2016 and confirmed by our shareholders at the extraordinary general meeting held on January 21, 2016. Subject to compliance with the limits of managerial remuneration prescribed under Companies Act 2013, he is entitled to a remuneration of ₹ three million per month, including basic salary, allowances, perquisites or a combination thereof.

Additionally, he is entitled to a car with driver and telephone at the residence and the provision of car for use of Company's business and telephone at residence will not be considered at perquisites. Further, personal long distance calls and use of car for private purposes will be billed by the Company.

Any contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave payable at the end of his tenure will not be included in calculating the remuneration payable to Mr. Lalit Seth.

In the event of any inadequacy in profits of the Company, the above-mentioned remuneration will continue to be payable to Mr. Lalit Seth, subject to the applicable provisions of the Companies Act 2013.

Mr. Rishi Seth

Mr. Rishi Seth was last appointed as a Joint Managing Director of our Company for a period three years with effect from January 21, 2016 until January 20, 2019, at the meeting of our Board of Directors held on January 21, 2016 and confirmed by our shareholders at the extraordinary general meeting held on January 21, 2016. However he is liable to retire by rotation. Subject to compliance with the limits of managerial remuneration prescribed under Companies Act 2013, he is entitled to a remuneration of ₹ 1.25 million per month, including basic salary, allowances, perquisites or a combination thereof.

Additionally, he is entitled to a car with driver and telephone at the residence and the provision of car for use of Company's business and telephone at residence will not be considered at perquisites. Further, personal long distance calls and use of car for private purposes will be billed by the Company.

Any contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave payable at the end of his tenure will not be included in calculating the remuneration payable to Mr. Rishi Seth.

In the event of any inadequacy in profits of the Company, the above-mentioned remuneration will continue to be payable to Mr. Rishi Seth, subject to the applicable provisions of the Companies Act 2013.

Mr. Gautam Seth

Mr. Gautam Seth was last appointed as a Joint Managing Director of our Company for a period three years with effect from January 21, 2016 until January 20, 2019, at the meeting of our Board of Directors held on January 21, 2016 and confirmed by our shareholders at the extraordinary general meeting held on January 21, 2016. However he is liable to retire by rotation. Subject to compliance with the limits of managerial remuneration prescribed under Companies Act 2013, he is entitled to a remuneration of ₹ 1.25 million per month, including basic salary, allowances, perquisites or a combination thereof.

Additionally, he is entitled to a car with driver and telephone at the residence and the provision of car for use of Company's business and telephone at residence will not be considered at perquisites. Further, personal long distance calls and use of car for private purposes will be billed by the Company.

Any contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or



put together are not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave payable at the end of his tenure will not be included in calculating the remuneration payable to Mr. Gautam Seth.

In the event of any inadequacy in profits of the Company, the above-mentioned remuneration will continue to be payable to Mr. Gautam Seth, subject to the applicable provisions of the Companies Act 2013.

Mr. Chandra Prakash Jain

Mr. Chandra Prakash Jain was last appointed as Whole-time Director of our Company for a period three years with effect from January 21, 2016 until January 20, 2019, at the meeting of our Board of Directors held on January 21, 2016 and confirmed by our shareholders at the extraordinary general meeting held on January 21, 2016. However, he is liable to retire by rotation. Subject to compliance with the limits of managerial remuneration prescribed under Companies Act 2013, he is entitled to a remuneration of ₹ 0.99 million per month, including basic salary, allowances, perquisites or a combination thereof.

Additionally, he is entitled to a car with driver and telephone at the residence and the provision of car for use of Company's business and telephone at residence will not be considered at perquisites. Further, personal long distance calls and use of car for private purposes will be billed by the Company.

Any contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave payable at the end of his tenure will not be included in calculating the remuneration payable to Mr. Chandra Prakash Jain.

In the event of any inadequacy in profits of the Company, the above-mentioned remuneration will continue to be payable to Mr. Chandra Prakash Jain, subject to the applicable provisions of the Companies Act 2013.

Mr. Vinod Ratan

Mr. Vinod Ratan was appointed as the Whole-time Director of our Company for a period three years with effect from January 21, 2016 until January 20, 2019, at the meeting of our Board of Directors held on January 21, 2016 and confirmed by our shareholders at the extraordinary general meeting held on January 21, 2016. However, he is liable to retire by rotation. Further, he was also appointed as the Chief Financial Officer pursuant to the resolution of the Board of Directors dated January 21, 2016, and he will continue to act as the Chief Financial Officer subsequent to the termination of his office as the Whole-time Director. Subject to compliance with the limits of managerial remuneration prescribed under Companies Act 2013, he is entitled to a remuneration of ₹ 0.75 million per month, including basic salary, allowances, perquisites or a combination thereof.

Additionally, he is entitled to a car with driver and telephone at the residence and the provision of car for use of Company's business and telephone at residence will not be considered at perquisites. Further, personal long distance calls and use of car for private purposes will be billed by the Company.

Any contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave payable at the end of his tenure will not be included in calculating the remuneration payable to Mr. Vinod Ratan.

In the event of any inadequacy in profits of the Company, the above-mentioned remuneration will continue to be payable to Mr. Vinod Ratan, subject to the applicable provisions of the Companies Act 2013.

Terms and conditions of employment of our non-executive Directors

Sitting Fees

Our non-executive, Independent Directors are entitled to sitting fees of ₹ 0.05 million for attending each meeting of our Board of Directors and a sitting fees of ₹ 0.03 million for attending each meeting of the committees of our Board, pursuant to a resolution of our Board dated January 11, 2016.

Borrowing Powers of our Board of Directors



Our Articles of Association, subject to applicable law, authorize our Board of Directors to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our Board at their meeting held on December 15, 2015 and a special resolution passed by our shareholders at their extra-ordinary general meeting held on January 8, 2016, our shareholders have authorized our Board of Directors to borrow, from time to time such sum of money as may be required, provided that such amount shall not exceed ₹ 25,000 million.

Corporate Governance

Pursuant to the Equity Listing Agreement to be entered into with the Stock Exchanges, the provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable law, including the Companies Act, the SEBI Listing Regulations and the SEBI ICDR Regulations, in respect of corporate governance including in relation to the constitution of our Board and committees thereof. The corporate governance framework is based on an effective and independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under applicable law.

Our Board and committees thereof have been constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, we have 10 Directors on our Board, comprising five Whole-time Directors and five non-executive, Independent Directors (including one woman Director).

Committees of our Board

Set forth below are the committees constituted by our Board for compliance with corporate governance requirements:

a. Audit Committee

Our Audit Committee was constituted pursuant to a resolution of our Board dated January 21, 2016. The Audit Committee comprises:

1. Mr. Tarun Sehgal, (Independent Director), *Chairman*;
2. Mr. Virender Kumar Bajaj, (Independent Director), *Member*;
3. Mr. Jatinder Singh Sabharwal, (Independent Director), *Member*; and
4. Mr. Gautam Seth, (Joint Managing Director), *Member*

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations.

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;



- Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval of any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approval of appointment of CFO (i.e., the Whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- Statement of deviations:
 - (i) Quarterly statement of derivation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-Regulation (1) of Regulation 32 of the SEBI Listing Regulations; and



- (j) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of SEBI Listing Regulations.

The Company Secretary of the Company shall act as the Secretary to the Audit Committee. As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times in a year, and not more than 120 days shall elapse between two meetings. The quorum shall be two members present or one-third of the members, whichever is greater, provided that there should be a minimum of two Independent Directors present.

b. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated January 21, 2016. The Stakeholders' Relationship Committee comprises:

1. Mr. Virender Kumar Bajaj, (Independent Director), *Chairman*;
2. Mr. Rishi Seth, (Joint Managing Director), *Member*;
3. Ms. Gautam Seth, (Joint Managing Director), *Member*; and
4. Mr. Vinod Ratan, (Whole-time Director), *Member*

Set forth below are the terms of reference of the Stakeholders' Relationship Committee.

- Redressal of all investors' and the security holders grievances of our Company, including complaints in respect of transfer of shares, non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, non-receipt of balance sheets of our Company, non-receipt of annual reports etc. and assisting with quarterly reporting of such complaints;
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization 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;
- Overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor service;
- Carrying out any other function under applicable law, including the SEBI Listing Regulations and the Equity Listing Agreement.

The Stakeholders' Relationship Committee shall meet as and when required and shall report to our Board regarding the status of redressal of complaints received from the security-holders of our Company, for review thereof and publication along with the quarterly unaudited financial results, pursuant to the requirements of Regulation 20 of the SEBI Listing Regulations. The quorum shall be two members present.

c. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated January 21, 2016. The Nomination and Remuneration Committee comprises:

1. Mr. Jatinder Singh Sabharwal, (Independent Director), *Chairman*;
2. Mr. Tarun Sehgal, (Independent Director), *Member*; and
3. Ms. Madhu Bala Nath, (Independent Director), *Member*

Set forth below are the terms of reference of the Nomination and Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to, the remuneration of our directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and our Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal; and
- Carrying out any other function contained in the SEBI Listing Regulations and the Equity Listing Agreement.



The Nomination and Remuneration Committee shall meet as and when required. The quorum shall be two members present.

d. *Corporate Social Responsibility Committee (“CSR Committee”)*

The CSR Committee was constituted on April 28, 2014 and last re-constituted on pursuant to a resolution of our Board dated January 21, 2016. Our CSR Committee comprises:

1. Mr. Lalit Seth, (Chairman and Managing Director), *Chairman*;
2. Mr. Rishi Seth, (Joint Managing Director), *Member*;
3. Ms. Madhu Bala Nath, (Independent Director), *Member*; and
4. Mr. Jainul Haque, (Independent Director), *Member*

Set forth below are the terms of reference of the CSR Committee.

- Formulate and recommend to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act;
- Recommending the amount of expenditure to be incurred on the activities referred above;
- Monitoring the corporate social responsibility policy and the expenditure of our Company;
- Any other duties, roles and responsibilities pursuant to the provisions of Section 135 of the Companies Act and CSR Policy Rules, 2014 as amended from time to time

Additionally, our Board has also constituted an IPO Committee, pursuant to a resolution dated January 21, 2016, comprising (i) Mr. Lalit Seth, (ii) Mr. Rishi Seth, (iii) Mr. Gautam Seth and (iv) Mr. Vinod Ratan, to oversee and facilitate the process of the Issue.

Shareholding of Directors in our Company and Subsidiary

Our Articles of Association do not require our Directors to hold qualification shares. As on the date of this Draft Red Herring Prospectus, our Directors hold the following number of Equity Shares of our Company:

Name of Directors	Number of Equity Shares Held (Pre-Issue)	Percentage (%)
Mr. Lalit Seth	7,703,098	16.59
Mr. Rishi Seth	2,231,740	4.81
Mr. Gautam Seth	2,231,740	4.81
Mr. Chandra Prakash Jain	37,500	0.08
Total	12,204,078	26.29

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary. However, subsequent to the implementation of the Scheme of Demerger and conversion of 15,000,000 optionally convertible debentures of Himachal Energy held by us into its equity shares, Himachal Energy will become a subsidiary of our Company.

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate company.

Interest of our Directors

Our executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details see “- **Terms and conditions of employment of our Executive Directors**” on page 159. Further, all our non-executive, Independent Directors, are entitled to receive sitting fees for attending our Board and/or committee meetings within the limits laid down in the Companies Act and as decided by our Board. Additionally, Mr. Lalit Seth is interested to the extent of being a Promoter of our Company and as the subscriber to the Memorandum of Association of our Company on its incorporation. Further, our Chairman and Managing Director and Joint Managing Directors are interested to the extent of their shareholding in certain of our Group Companies, with which our Company had transactions. For more information, see “**Our Promoters and Group Companies**”, “**History and Certain Corporate Matters**” and “**Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions**” on pages 169, 148 and 270, respectively.



Further, except as disclosed under “– *Shareholding of Directors in our Company*” above, none of our Directors hold any Equity Shares in our Company. Additionally, our Directors may be interested to the extent of any Options that may be granted under the ESOS 2016 and any Equity Shares that may be allotted to them upon exercise of such Options. Our Directors may also be deemed to be interested to the extent of any Equity Shares, held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to such companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

In addition, our Company has taken on lease certain premises, for use as a guesthouse, from our Chairman and Managing Director, our Joint Managing Directors and a member of our Promoter Group, situated at New Delhi, India, pursuant to a lease deed dated September 3, 2009, valid for a period of eight years, whereby, our Company is required to pay a monthly rent of ₹ 1 million to such persons. Further, our Company has entered into a lease deed dated March 22, 2012 for residential purposes, with our Chairman and Managing Director and our Joint Managing Directors and their immediate relatives, situated in Solan (Himachal Pradesh). Our Company is required to pay a monthly rent of ₹ 0.30 million to such persons, under the terms of this agreement. Additionally, our Company took on lease property situated at, Bangalore (Karnataka) for official use, pursuant to a lease deed dated April 11, 2012, from our Joint Managing Director, Mr. Gautam Seth, which is valid for a period of five years. Our Company is not required to pay any rent in respect of this property. Further, our Company has taken on lease premises situated at New Delhi, India, pursuant to a lease deed dated November 1, 2012 with our Whole-time Director and Chief Financial Officer, Mr. Vinod Ratan and his immediate relative. This lease deed is valid for eight years and our Company is required to pay an annual rent of ₹ 0.90 million in respect of this property.

Other than as stated above and except as stated in the “*Financial Statements*” and in “*Our Promoters and Group Companies*” on pages 181 and 169, our Directors do not have any other interest in our business or our Company.

Set forth below are the details of the relatives of our Directors who have been appointed to a place or office of profit in Himachal Energy.

Name of relative	Relationship with our Director(s)	Position held
Ms. Praveen Seth	Wife of Mr. Lalit Seth and mother of Mr. Rishi Seth and Mr. Gautam Seth	Senior Manager (Administration)
Ms. Pooja Seth	Wife of Mr. Rishi Seth	Manager (Marketing)
Ms. Vani Seth	Wife of Mr. Gautam Seth	Manager (Marketing)

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

Changes in our Board of Directors during the Last Three Years

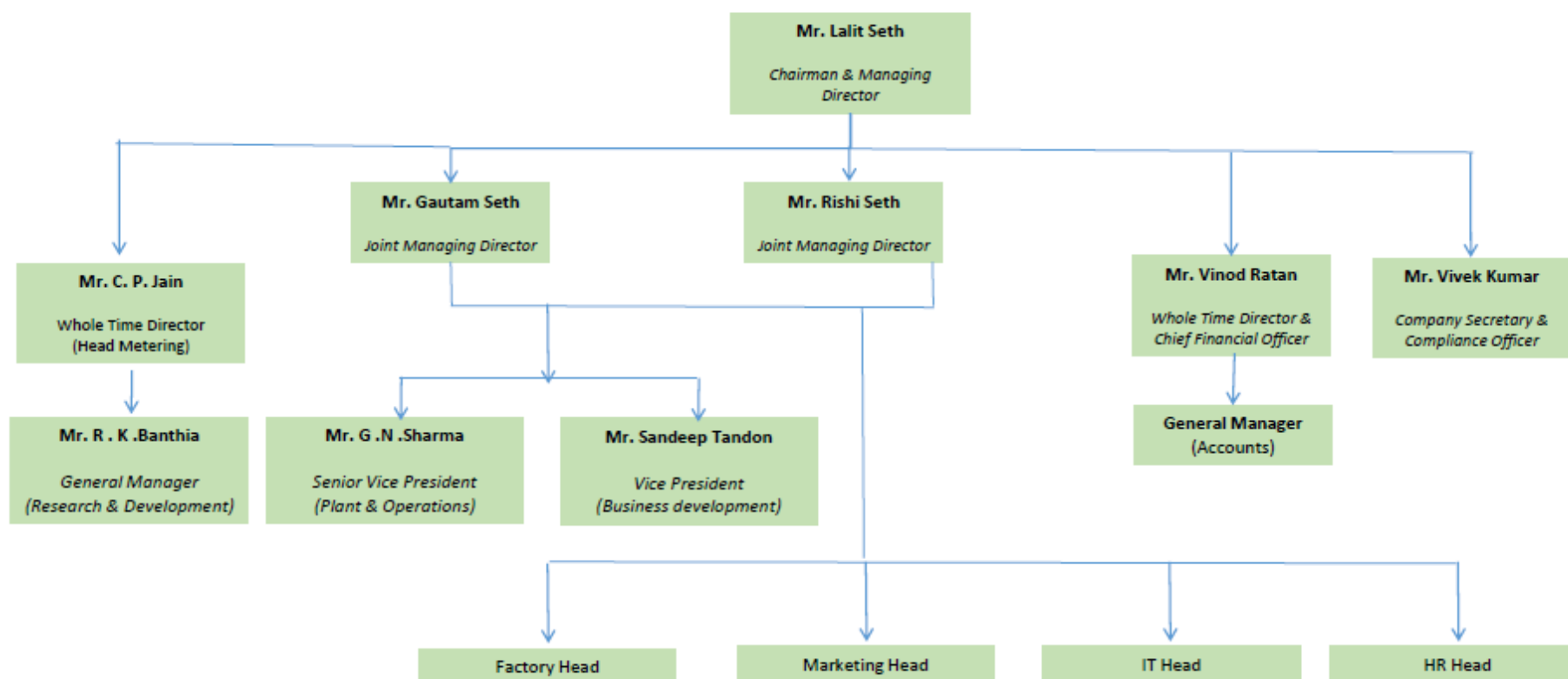
Except as disclosed below, there have been no changes in our Board of Directors during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of Director	Date of change	Reason
Mr. Lalit Seth	January 21, 2016	Appointment as Chairman and Managing Director
Mr. Rishi Seth	January 21, 2016	Appointment as Joint Managing Director
Mr. Gautam Seth	January 21, 2016	Appointment as Joint Managing Director
Mr. Chandra Prakash Jain	January 21, 2016	Appointment as Whole-time Director
Mr. Vinod Ratan	January 21, 2016	Appointment as Whole-time Director and Chief Financial Officer
Mr. Vinod Ratan	January 14, 2016	Appointment as Director
Mr. Tarun Sehgal	January 14, 2016	Appointment as non-executive, Independent Director
Mr. Jatinder Singh Sabharwal	January 14, 2016	Appointment as non-executive, Independent Director
Ms. Madhu Bala Nath	January 14, 2016	Appointment as non-executive, Independent Director
Mr. Jainul Haque	January 14, 2016	Appointment as non-executive, Independent Director
Mr. Vinjendra Kumar Bajaj	January 14, 2016	Appointment as non-executive, Independent Director



Management Organization Structure

Set forth is the organization structure of our Company.





Our Key Managerial Personnel

Set forth below are the details of our key managerial personnel in addition to our Whole-time Directors as on the date of this Draft Red Herring Prospectus. For details of our Chairman and Managing Director, Joint Managing Directors and Whole-time Directors see “– **Brief Profile of our Directors**” on page 157.

Mr. Vivek Kumar, aged 40 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor’s degree in law from Chaudhary Charan Singh University, Meerut (Uttar Pradesh) and is a qualified company secretary. Prior to joining our Company on July 2, 2015, he worked with Tirupati Structural Limited as a company secretary. He is currently responsible for secretarial compliances by our Company. As he joined our Company in fiscal 2016, no remuneration was paid to him in fiscal 2015.

Mr. Girjesh Narain Sharma, aged 54 years, is the senior vice president (plant and operations) of our Company. He holds a diploma in mechanical engineering and a post diploma in business administration from Board of Technical Education, New Delhi. Prior to joining our Company on September 21, 2009, he worked with Havells India Limited as vice-president (Faridabad Works). He is currently responsible for overseeing production and plant operations of our Company. In fiscal 2015, he received a remuneration of ₹ 3.67 million from our Company.

Mr. Rajesh Kumar Banthia, aged 47 years, is the general manager (research and development) of our Company. He holds a bachelor’s degree in electronics and communications engineering from the University of Jodhpur. Prior to joining our Company on September 12, 2000, he worked with Rajasthan Electronics & Instruments Limited in various roles. He is currently responsible for overseeing the research and development function of the metering division of our Company. In fiscal 2015, he received a remuneration of ₹ 3.43 million from our Company.

Mr. Sundeep Tandon, aged 51 years, is the vice president (business development) of our Company. He holds a bachelor’s degree in electrical engineering from the University of Delhi and a post-graduate diploma in business management from the Institute of Management Technology, Ghaziabad (Uttar Pradesh). He joined our on December 3, 2007. He is currently responsible for various business development operations of our Company. In fiscal 2015, he received a remuneration of ₹ 3.07 million from our Company.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Nature of family relationship

None of our key managerial personnel are related to each other or to any of our Directors.

Shareholding of the Key Managerial Personnel

For information on the shareholding of the key managerial personnel, see “– **Shareholding of Directors in our Company and Subsidiary**” on page 164.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

For more information, see “– **Payment or Benefit to officers of our Company**” on page 168.

Interest of Key Managerial Personnel

Except as disclosed in “– **Interest of our Directors**” on page 164, and to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business, none of our Key Managerial Personnel have any interest in our Company.

Our Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares that maybe subscribed for and Allotted to them, pursuant to this Issue and any dividend payable to them and other distributions in respect of such Equity Shares. Further, our Key Managerial Personnel may be interested to the extent of any Options that may be granted under the ESOS 2016 and any Equity Shares that may be allotted to them, pursuant to the exercise of such Options.



Changes in Key Managerial Personnel in the Last Three Years

In addition to the changes in our Board of Directors during the last three years, set forth below are the changes in our key managerial personnel in the last three years immediately preceding the date of this Draft Red Herring Prospectus.

Name	Date of change	Reason
Mr. Vivek Kumar	July 2, 2015	Appointment as Company Secretary
Mr. Manoj Kumar Misra	January 16, 2014	Appointment as Company Secretary
Mr. Manoj Kumar Misra	April 30, 2015	Resignation as Company Secretary
Mr. Deepak Singhal	May 13, 2013	Resignation as Company Secretary

Payment or Benefit to officers of our Company

Except as stated in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been in accordance with applicable law paid or given, in the two years immediately preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer or employee of our Company is entitled to any benefit upon the termination of their employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance in accordance with applicable law.

Except as stated in the “*Financial Statements*” on page 181, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Except as disclosed under “*Capital Structure*” on page 70, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees as on the date of this Draft Red Herring Prospectus.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.



OUR PROMOTERS AND GROUP COMPANIES

Our individual Promoter is Mr. Lalit Seth and our corporate Promoters are Havell's Private Limited, HIL and HEPL. As on the date of this Draft Red Herring Prospectus, our Promoters, Mr. Lalit Seth, Havell's Private Limited, HIL and HEPL together hold 33,936,121 Equity Shares in aggregate, representing 73.09% of our pre-Issue Equity Share capital. Our Promoters will continue to hold the majority of our post-Issue Equity Share capital.

Details of our Individual Promoter



Mr. Lalit Seth, aged 69 years, is our Chairman and Managing Director and a Promoter of our Company. He has basic education. He has over 40 years of experience in the electric equipment industry and he has been involved with our Company since incorporation. His address is 35, Sunder Nagar, New Delhi 110 003, India.

For further details, see "**Our Management**" on page 155.

His voter's identification number is XHC0116053.

His driving license number is DL-0219950026150.

For details of his other directorships see "**Our Management**" on page 155

We confirm that the PAN, bank account number and passport number of Mr. Lalit Seth will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Details of our Corporate Promoters

Havell's Private Limited*

Havell's Private Limited was incorporated on November 24, 1956, under the Companies Act 1956 and is registered with the RoC. Its registered office is situated at 1/21, Asaf Ali Road, New Delhi 110 002, India. Its corporate identity number is U74899DL1956PTC002736. Havell's Private Limited is authorized to be engaged in the business of manufacturing meters, machinery and other electric equipment.

Our individual Promoter, Mr. Lalit Seth, is the natural person in control of Havell's Private Limited. There has been no change in the control or management of Havell's Private Limited during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

** Pursuant to a deed of assignment dated October 9, 1971, the trademark 'Havell's' was transferred, without the goodwill of the business, to the members of Havell's Industries. Consequently, the 'Havell's' trademark is a property of Havell's Industries (now Havells India Limited) and we, our Promoters and members of our Promoter Group are not associated in any manner with Havells India Limited or its promoters. Our Company and our Promoters are however, involved in certain trademark litigation with Havells India Limited, the details of which are disclosed in "**Outstanding Litigation – Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings**" on page 318.*

As on the date of this Draft Red Herring Prospectus, the equity shares of Havell's Private Limited are not listed on any stock exchange in India or abroad.

Shareholding Pattern

Set forth below is the shareholding pattern of Havell's Private Limited as on the date of this Draft Red Herring Prospectus.

Name of Shareholder	Number of Shares	% of Shareholding
Mr. Lalit Seth	8,936	85.10
Ms. Praveen Seth	100	0.95



Name of Shareholder	Number of Shares	% of Shareholding
Mr. Rishi Seth	450	4.29
Mr. Gautam Seth	450	4.29
Havell's Electronics Private Limited	500	4.76
Mr. Sanjeev Gandhi	64	0.61
Total	10,500	100.00

Board of Directors

As on the date of this Draft Red Herring Prospectus, Mr. Lalit Seth and Mr. Rishi Seth are the directors on the board of Havell's Private Limited.

Financial Information

Set forth below are the audited financial results of Havell's Private Limited for fiscal 2015, 2014 and 2013.

	(₹ in million except per share data)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Equity capital	10.50	10.50	10.50
Reserves and surplus	52.86	53.99	53.65
Total Revenue	0.14	0.62	0.23
Profit/(Loss) after tax	(1.13)	0.34	0.20
Earnings per share (₹) (Basic/Diluted)	(107.42)	32.36	19.37
Net asset value per share (₹)	6,034.18	6,141.60	6,109.24

HPL India Limited

HIL was incorporated on January 2, 1989, under the Companies Act 1956 and is registered with the RoC. Its registered office is situated at 1/21, Asaf Ali Road, New Delhi 110 002, India. Its corporate identity number is U74899DL1989PLC034489. HIL is engaged in the business of selling of component and tools design of various engineering products.

Ms. Praveen Seth and Amerex (India) Private Limited, members of our Promoter Group, are the promoters of HIL. Ms. Praveen Seth is the natural person in control of HIL and Amerex (India) Private Limited. There has been no change in the control or management of HIL during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of HIL are not listed on any stock exchange in India or abroad.

Shareholding Pattern

Set forth below is the shareholding pattern of HIL as on the date of this Draft Red Herring Prospectus.

Name of Shareholder	Number of Shares	% of Shareholding
Mr. Lalit Seth	171,500	6.66
Mr. Gautam Seth	83,600	3.25
Mr. Rishi Seth	77,300	3.00
Ms. Praveen Seth	407,900	15.83
Amerex (India) Private Limited	1,142,435	44.35
Jesons Impex Private Limited	81,900	3.18
Ramomal Inder Narain Seth (HUF)	53,500	2.08
Havell's Private Limited	226,065	8.78
Havell's Electronics Private Limited	100,000	3.88
Himachal Energy Private Limited	221,312	8.59
Ms. Bela Kapoor	4,000	0.16
Mr. S.C. Sharma	4,000	0.16
Mr. Ramanand	2,500	0.09
Total	2,576,012	100.00



Board of Directors

As on the date of this Draft Red Herring Prospectus, Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth are directors on the board of HIL.

Financial Information

Set forth below are certain audited financial results of HIL for fiscal 2015, 2014 and 2013.

	(₹ in million except per share data)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Equity capital	25.76	25.76	25.76
Reserves and surplus	547.22	546.79	548.00
Total Revenue	484.45	445.17	376.92
Profit/(Loss) after tax	0.44	(1.21)	0.17
Earnings per share (₹) (Basic/Diluted)	0.17	(0.47)	0.07
Net asset value per share (₹)	222.43	222.26	222.73

Havell's Electronics Private Limited*

HEPL was incorporated on October 31, 1974 under the Companies Act 1956 and is registered with the RoC. Its registered office is located at 1/21, Asaf Ali Road, New Delhi 110 002, India. Its corporate identity number is U74899DL1974PTC007504. It is permitted to carry on the business of manufacturing electrical equipment.

Our Promoter, Mr. Lalit Seth, is also the promoter of HEPL. There has been no change in control or management of HEPL during the three years immediately preceding the date of this Draft Red Herring Prospectus.

** Pursuant to a deed of assignment dated October 9, 1971, the trademark 'Havell's' was transferred, without the goodwill of the business, to the members of Havell's Industries. Consequently, the 'Havell's' trademark is a property of Havell's Industries (now Havells India Limited) and we, our Promoters and members of our Promoter Group are not associated in any manner with Havells India Limited or its promoters. Our Company and our Promoters are however, involved in certain trademark litigation with Havells India Limited, the details of which are disclosed in "Outstanding Litigation – Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings" on page 318.*

Shareholding Pattern

Set forth below is the shareholding pattern of HEPL as on the date of this Draft Red Herring Prospectus.

Name of Shareholder	Number of Shares	% of Shareholding
Mr. Lalit Seth	773,270	38.83
Ms. Praveen Seth	383,940	19.28
Mr. S.C. Sharma	10	Negligible
Mr. Ramu Mal Inder Narain Seth (HUF)	378,540	19.01
Jesons Impex Private Limited	26,800	1.35
HPL India Limited	428,675	21.53
Total	1,991,235	100.00

Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of HEPL comprises of Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth.

Financial Information

Set forth below are certain audited financial results of HEPL for fiscal 2015, 2014 and 2013.

	(₹ in million except per share data)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Equity capital	19.91	19.91	19.91



	Fiscal 2015	Fiscal 2014	Fiscal 2013
Reserves and surplus	260.14	260.40	293.85
Total Revenue	36.29	40.81	76.65
Profit/(Loss) after tax	0.39	(33.46)	0.69
Earnings per share (₹) (Basic/ Diluted)	0.20	(16.80)	0.35
Net asset value per share (₹)	140.64	140.77	157.57

We confirm that the PAN, bank account numbers, company registration number and the address of the registrar of companies where our corporate Promoters are registered will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of their shareholding in our Company and any dividend distribution that has been made and may be made by our Company in the future. For details pertaining to our Promoters' shareholding, see "*Capital Structure*" on page 70. Further, our individual Promoter, Mr. Lalit Seth is also interested to the extent that he is the Chairman and Managing Director of our Company and any remuneration and reimbursement of expenses payable to him in such capacity.

In addition, our Company has taken on lease certain premises, for use as a guesthouse, from our Promoter and Chairman and Managing Director, Mr. Lalit Seth, our Joint Managing Directors and a member of our Promoter Group, situated at New Delhi, India, pursuant to a lease deed dated September 3, 2009, valid for a period of eight years, whereby, our Company is required to pay monthly rent of ₹ 1 million to the lessors. Further, our Company has entered into a lease deed dated March 22, 2012 for residential purposes, with our Promoter and Chairman and Managing Director, Mr. Lalit Seth, our Joint Managing Directors and their immediate relatives situated Solan (Himachal Pradesh). Our Company is required to pay a monthly rent of ₹ 0.30 million to the lessors under the terms of this agreement. Our Company paid an aggregate rent amount of ₹ 3.60 million to Mr. Lalit Seth, our Promoter, during fiscal 2015.

Mr. Lalit Seth, our individual Promoter, is also deemed to be interested to the extent of his shareholding in HIL and to the extent of being on the board of directors of HIL. Our Company entered into an MOU dated March 6, 2014 with HIL, our Promoter, pursuant to which, our Company proposes to purchase HRC fuse, fuse switches, MCCBs, rotary switches and other switches and related items from HIL from time to time, on an arm's length basis. Such purchases are subject to a transaction limit of ₹ 200 million per annum, and the agreement is valid for fiscals 2015, 2016 and 2017. While our Company did not purchase any products from HIL during fiscal 2015 or the six months ended September 30, 2015, HIL, our Promoter, is interested to the extent of any amount payable under the terms of this agreement by our Company. We have also entered into an MOU with HIL for the sale energy meters, moulds, switchgears, MCBs, wire & cables and lighting products or any other related items to HIL on an arm's length basis. Such sales are subject to a limit of ₹ 200 million per annum, and the agreement is valid for a fiscals 2015, 2016 and 2017. The aggregate transaction value was ₹ 0.12 million and ₹ 3.41 million from during the six months ended September 30, 2015 and fiscal 2015, respectively. HIL is interested to the extent of any products that may be sold to it under the terms of this MOU.

Our Company entered into an MOU dated March 6, 2014 for availing marketing and sales support services from HIL, our Promoter, valid for three years. Our Company is required to pay a monthly fee of up to ₹ 50 million to HIL as consideration for fiscals 2015, 2016 and 2017. The aggregate transaction value was ₹ 180 million and ₹ 480 million for the six months ended September 30, 2015 and fiscal 2015, respectively. HIL is interested to the extent of consideration received from our Company under the terms of this MOU. Subsequently, HIL entered into an agreement dated August 1, 2015, with our Company for transfer of business comprising the entire marketing and sales support division of HIL, and HIL is interested to the extent of consideration received from our Company for the assignment of assets of HIL at book value. Pursuant to the terms of the business transfer agreement, trade receivables amounting to ₹ 347.20 million, against the sales made through various consignment sales agents, were transferred to HIL on book value. Further, the MOU for availing marketing and sales support services was terminated.

Our Company also entered into an MOU dated March 6, 2014 for supply of technical services, know-how and design to HIL, subject to limit of ₹ 200 million for each of fiscals 2015, 2016 and 2017. We also entered into an agreement dated June 30, 2015 with HIL, our Promoter for supply of component and tools design of various engineering products from time to time. The agreement is valid for three years and pursuant to the terms of the



agreement, our Company may be required to pay up to ₹ 150 million during fiscal 2016, ₹ 180 million during fiscal 2017 and ₹ 200 million during fiscal 2018, as consideration for such services rendered. The aggregate transaction value was ₹ 130.84 million during the six months ended September 30, 2015, pursuant to the terms of the agreement, and HIL is interested to the extent of such amount paid and any amount payable under the terms of this agreement.

Our Company entered into an MOU with HEPL, our Promoter, dated March 6, 2014 for purchase of re-wireable switch fuse unit, fuse switch units (double break switch), off load changeover switches, fuse distribution boards, MCB distribution boards (systems) and other related items and for availing job work services from HEPL, on an arm's length basis, subject to a limit of ₹ 150 million for fiscal 2015, ₹ 200 million for fiscal 2016 and ₹ 250 million for fiscal 2017. The aggregate transaction value was ₹ 34.40 million during fiscal 2015 under the terms of this MOU. Our Company is also permitted sell energy meters, switchgears, MCBs, wires and cables, lighting products and related items from HEPL, our Promoter, pursuant to an approval dated May 20, 2013 from the Government of India.

Our Promoter and Chairman and Managing Director, Mr. Lalit Seth, may further be deemed to be interested to the extent of being a shareholder of APL, our Group Company, from which our Company received ₹ 1.08 million for sale of goods during the six months ended September 30, 2015. He may also be deemed to be interested to the extent of being on the board of directors of APL.

Our Chairman and Managing Director and our Joint Managing Directors are deemed to be interested of their shareholding in Himachal Energy and also deemed to be interested to the extent of being on the board of directors of Himachal Energy. Further, our Company has entered into an MOU dated March 6, 2014 with Himachal Energy for sale, on an arm's length basis, of energy meters, moulds, switchgears, MCBs, wires and cables, lighting products and related items, subject to a limit of ₹ 800 million during fiscal 2015, ₹ 1,000 million for fiscal 2016 and ₹ 1,200 million for fiscal 2017. The aggregate transaction value was ₹ 127.01 million and ₹ 470.14 million during the six months ended September 30, 2015 and fiscal 2015, respectively. Further, we have entered into an MOU with Himachal Energy for purchase of energy meters, components, moulds and other related items, subject to a limit of ₹ 300 million during fiscal 2015, ₹ 400 million for fiscal 2016 and ₹ 500 million for fiscal 2017. The aggregate transaction value was ₹ 1.65 million during fiscal 2015 for purchase of goods. Additionally, Himachal Energy is permitted to provide consultancy services and other job work to our Company, pursuant to an approval from the Government of India dated June 6, 2013, until March 31, 2016. The value of such services are subject to a limit of ₹ 200 million for each of fiscal 2015 and 2016. However, our Company has not paid Himachal Energy any amount under the terms of this permission. Additionally, our Company purchased fixed assets amounting to ₹ 117.78 million from Himachal Energy and sold assets at book value amounting to ₹ 850.67 million and investments amounting to ₹ 150 million to Himachal Energy during the six months ended September 30, 2015. Our Company also holds optionally convertible debentures amounting to ₹ 540 million in Himachal Energy.

For further details in relation to the interest of our Promoters, see "*Financial Statements – Restated Standalone Financial Statements – Annexure 31 – Restated Standalone Statement of Related Party Transactions*" and "*Financial Statements – Restated Consolidated Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions*" on pages 224 and 270, respectively.

Except as disclosed above, our Promoters confirm that they have no interest in any property acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus or in any transaction in acquisition of land, construction of building and supply of machinery, etc. None of our Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Related Party Transactions

Further, except as stated in "*Financial Statements – Restated Standalone Financial Statements – Annexure 31 – Restated Standalone Statement of Related Party Transactions*" and "*Financial Statements – Restated Consolidated Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions*" on pages 224 and 270, respectively, our Promoters do not have any sales/purchase arising out of any transaction with any Group Company or associate companies.

Group Companies



As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) in the Restated Consolidated Financial Statements. Further, pursuant to a resolution of our Board dated December 24, 2015, for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if said company is a member of the Promoter Group and our Company has entered into one or more transactions with such company in the preceding fiscal or audit period, as the case may be, cumulatively exceeding 10% of the total revenue of the Company for such fiscal or audit period, as the case may be. No companies were considered to be material by our Board to be disclosed as a Group Company of our Company.

Set forth below are details of our Group Companies as on the date of this Draft Red Herring Prospectus.

S. No.	Name of Group Company	Brief description of business activities authorized or carried on	Interest of our Promoters
1.	Amerex (India) Private Limited	Authorized to carry on the business of acquisition, owning, erecting, hire purchase, taking on lease any land, building, office, godowns etc.	Our Promoters directly hold 5.53% of the equity share capital. 94.47% of the equity share capital is held by members of our Promoter Group.
2.	Amerex Private Limited	Engaged in the business of purchase and sale of products through e-commerce website	Our Promoters directly hold 25% of the equity share capital. 75% of the equity share capital is held by members of our Promoter Group.
3.	Himachal Energy Private Limited*	Engaged in manufacturing, assembling, production, buying, selling, installing, distribution, commission, importing, exporting, repairing, hiring, let-out on hiring, altering, exchanging or otherwise dealing in energy meters, kilowatt meters, trivector and multifunction meters.	Our Promoters directly hold 35% of the equity share capital. 65% of the equity share capital is held by members of our Promoter Group.
4.	HPL Power Corporation Limited	Authorized to carry on business of producers, manufacturers, generators, suppliers, distributors, transformers, converters, transmitters, processors, developers, stores, procurers, carriers and dealers in power and electricity.	Our Promoters directly hold 25% of the equity share capital. 75% of the equity share capital is held by members of our Promoter Group.
5.	HPL Project Portfolio Private Limited	Authorized to buy, sell, manufacture, assemble, fabricate, import, export and to otherwise deal in all kind of electrical and electronics appliances, instruments, equipment, components and parts thereof, lighting fixtures and fitting bulbs etc., wires, cables and lighting devices.	Our Promoters directly hold 50% of the equity share capital. 50% of the equity share capital is held by members of our Promoter Group.
6.	Jesons Impex Private Limited	Engaged in carrying on the business of exporters, importers in any goods or classes of goods.	Our Promoters directly hold 94.87% of the equity share capital. 5.13% of the equity share capital is held by members of our Promoter Group.
7.	LK-HPL Private Limited	Authorized to carry on the business of manufacture, assemble, produce, buy, sell, install, distribute, commission, import, export, repair, hirer, alter,	Our Promoters directly hold 99% of the equity share capital. 1% of the equity share capital is held



exchange or otherwise deal in by members of our industrial switches of all varieties. Promoter Group.

** Himachal Energy and HPL Projects Portfolio Private Limited have filed the Scheme of Demerger before the High Court of Himachal Pradesh. Subsequent to the approval and implementation of the Scheme of Demerger, our Company will convert 15,000,000 optionally convertible debentures of Himachal Energy held by us, into equity shares of Himachal Energy. Pursuant to such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy and accordingly, Himachal Energy will become our subsidiary.*

Set forth below are brief details of our five largest companies by turnover, as on the date of this Draft Red Herring Prospectus.

1. Himachal Energy Private Limited (“Himachal Energy”)

Our Group Companies, Himachal Energy and HPL Projects Portfolio Private Limited, together, have filed the Scheme of Demerger, pursuant to which, the investment division of Himachal Energy will be demerged, transferred and vested in HPL Projects Portfolio Private Limited. Following the implementation of the Scheme of Demerger, we will convert 15,000,000 optionally convertible debentures held by us in Himachal Energy, into equal number of equity shares of Himachal Energy. Pursuant to such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy, and Himachal Energy will accordingly, become our subsidiary. This Scheme of Demerger is currently subject to final approval of the High Court of Himachal Pradesh, which by its order dated December 8, 2015, has dispensed with the requirement of convening meetings of the shareholders and creditors of Himachal Energy and HPL Projects Portfolio Private Limited. Himachal Energy has filed a petition (C.P. 15 of 2015) before the High Court of Himachal Pradesh for the approval of the Scheme of Demerger and to approve the re-arrangement/reduction of capital of Himachal Energy and that of HPL Projects Portfolio Private Limited. For further details of the Scheme of Demerger, see “**History and Certain Corporate Matters**” on page 148.

Given that Himachal Energy will become our subsidiary subsequent to the effectiveness of the Scheme of Demerger and conversion of optionally convertible debentures of Himachal Energy that we currently hold, we have separately included proforma financial statements of our Company, which affect our results of operations considering Himachal Energy as our subsidiary for fiscal 2015 and the six months ended September 30, 2015.

For details, see “**Risk Factors 28 – Following a scheme of demerger and conversion of optionally convertible debentures, Himachal Energy will become our subsidiary. Therefore, our historical financial statements may not provide a meaningful basis for evaluating our results of operations and financial condition.**” and “**Financial Statements – Proforma Financial Statements**” on pages 30 and 276, respectively. For details in respect of the business, select financial information and shareholding pattern of Himachal Energy, see “**History and Certain Corporate Matters**” on page 148.

2. Jesons Impex Private Limited

JIPL was incorporated on December 28, 1974 under the Companies Act 1956. The registered office of JIPL is situated at 35, Sunder Nagar, New Delhi 110 003, India and its corporate identity number is U74899DL1974PTC005351. JIPL is currently engaged in carrying on the business of exporters, importers in any goods or classes of goods.

The authorized share capital of JIPL is ₹ 1,000,000, comprising 100,000 shares of ₹ 10 each and its paid-up share capital is ₹ 488,960 comprising of 48,896 shares of ₹ 10 each.

Financial Performance

Certain details of the audited financials of JIPL for fiscal 2015, 2014 and 2013 are set forth below.

	(₹ in million except per share data)		
	Fiscal 2015	Fiscal 2014	Fiscal 2013
Equity capital	0.49	0.49	0.49
Reserves and surplus (excluding revaluation)	29.59	30.29	30.46
Total Revenue	2.82	4.55	7.33
Profit/(Loss) after tax	(0.66)	(0.16)	(0.14)
Earnings per share (Basic)	(13.53)	(3.40)	2.91



	Fiscal 2015	Fiscal 2014	Fiscal 2013
Earnings per share (Diluted)	(13.53)	(3.40)	2.91
Net asset value per share	615.13	629.57	632.96

Significant Notes by Auditors

There are no significant notes by auditors of JIPL in relation to its financial statements.

3. Amerex (India) Private Limited

AIPL was incorporated on August 30, 1968 under the Companies Act 1956. The registered office of AIPL is situated at 35, Sunder Nagar, New Delhi 110 003, India and its corporate identity number is U74899DL1968PTC004931. AIPL is currently engaged in the business of acquiring, owning, erecting, taking on lease any land, building, office, godowns etc., and undertaking hire purchase.

The authorized share capital of AIPL is ₹ 150,000, comprising 1,500 Equity Shares of ₹ 100 each and its issued, subscribed and paid-up share capital is ₹ 150,000 comprising 1,500 shares of ₹ 100 each.

Financial Performance

Certain details of the audited financials of AIPL for fiscal 2015, 2014 and 2013 are set forth below.

	Fiscal 2015	Fiscal 2014	Fiscal 2013
<i>(₹ in million except per share data)</i>			
Equity capital	0.15	0.15	0.15
Reserves and surplus (excluding revaluation)	(0.65)	(0.71)	(0.82)
Total Revenue	0.15	0.16	0.16
Profit/(Loss) after tax	0.06	0.11	0.12
Earnings per share (Basic)	39.83	74.84	80.26
Earnings per share (Diluted)	39.83	74.84	80.26
Net asset value per share	(332.31)	(372.13)	(446.97)

Significant Notes by Auditors

There are no significant notes by auditors of AIPL in relation to its financial statements.

4. HPL Power Corporation Limited ("HPCL")

HPCL was incorporated on May 20, 2010 under the Companies Act 1956. The registered office of HPCL is situated at 1/21, Asaf Ali Road, New Delhi 110 002, India and its corporate identity number is U40107DL2010PLC202938. HPCL is authorised by its memorandum of association to carry on activities relating to production, manufacture, generation, supply, distribution, transforming, converting, transmitting, processing, developing, storing, procuring power and electricity.

The authorized share capital of HPLPCL is ₹ 50,000,000, comprising 5,000,000 shares of ₹ 10 each and its issued, subscribed and paid-up share capital is ₹ 500,000 comprising 50,000 shares of ₹ 10 each.

Financial Performance

Certain details of the audited financials of HPCL for fiscal 2015, 2014 and 2013 are set forth below.

	Fiscal 2015	Fiscal 2014	Fiscal 2013
<i>(₹ in million except per share data)</i>			
Equity capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation)	(0.48)	(0.47)	(0.33)
Total Revenue	-	-	-
Profit/(Loss) after tax	(Negligible)	(0.15)	(0.14)
Earnings per share (Basic)	(0.07)	(2.94)	(2.87)



	Fiscal 2015	Fiscal 2014	Fiscal 2013
Earnings per share (Diluted)	(0.07)	(2.94)	(2.87)
Net asset value per share	0.34	0.41	3.35

Significant Notes by Auditors

There are no significant notes by auditors of HPCL in relation to its financial statements.

5. Amerex Private Limited (“APL”)

APL was incorporated on March 4, 2015 under the Companies Act 2013. The registered office of APL is situated at 1/20 Asaf Ali Road, New Delhi 110 003, India. The corporate identity number of APL is U52100DL2015PTC277530. APL is currently engaged in the business of purchase and sale of products through e-commerce portals.

The authorized share capital of APL is ₹ 10 million, comprising 1,000,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up share capital is ₹ 0.10 million comprising 10,000 equity shares of ₹ 10 each.

As on the date of the Draft Red Herring Prospectus, our Promoters directly hold 25% of the equity share capital of APL and the remaining 75% of the equity share capital is held by the members of our Promoter Group.

Financial Performance

Since APL was incorporated in fiscal 2015, certain details of the audited financials of APL for fiscal 2015 are set forth below.

	(₹ in million except per share data)
Fiscal 2015	
Equity capital	0.10
Reserves and surplus (excluding revaluation)	(0.06)
Total Revenue	Nil
Profit/(Loss) after tax	(0.06)
Earnings per share (Basic)	(74.79)
Earnings per share (Diluted)	(74.79)
Net asset value per share	(4.26)

Significant Notes by Auditors

There are no significant notes by auditors of APL in relation to its financial statements.

Group Companies with Negative Net Worth

None of our Group Companies, except AIPL, had a negative net worth in the last fiscal. The financial information of AIPL has been disclosed above.

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have any equity shares that are listed on any stock exchange. Further, none of our Group Companies have made any public or rights issue of securities in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the Preceding Three Years

Our Promoters have not disassociated themselves as a promoter from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Disassociation by certain Promoter from some of their Immediate Relatives

Ms. Praveen Seth, the wife of our individual Promoter, Mr. Lalit Seth, has pursuant to a memorandum of family severance, dated February 20, 2016, has dissociated from her immediate relatives enumerated hereunder.

S. no.	Name of relative	Disassociated	Relationship with Mr. Lalit Seth
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		Since	
1.	Mr. Rajesh Khanna	2016	Brother-in-law (brother of Ms. Praveen Seth)
2.	Mr. Ravish Khanna	2016	Brother-in-law (brother of Ms. Praveen Seth)
3.	Mr. Arun Khanna	2016	Brother-in-law (brother of Ms. Praveen Seth)
4.	Ms. Veena Sood	2016	Sister-in-law (sister of Ms. Praveen Seth)
5.	Ms. Neelam Kumar	2016	Sister-in-law (sister of Ms. Praveen Seth)

(collectively, the “**PS Immediate Relatives**”)

In light of the above, the PS Immediate Relatives have not been considered within the definition of “**promoter group**” under Regulation 2(1)(zb) of the SEBI ICDR Regulations.

Payment or Benefit to Promoters and Group Companies

Except as stated above in “– *Interest of our Promoters*” and “*Financial Statements– Annexure 31– Restated Consolidated Statement of Related Party Transactions*” on pages 172 and 270, there has been no payment of benefits to our Promoters and Group Companies, during fiscal 2015 and 2014, nor is any benefit proposed to be paid to them as on the date of this Draft Red Herring Prospectus.

Other Confirmations

Common Pursuits

Our corporate Promoters and some of our Group Companies are either engaged in or are permitted to carry on business activities, similar to that of our Company, pursuant to the provisions of their respective memorandum of association. While we believe that all our related party transactions have been conducted on an arm’s length basis, our Promoters and members of our Promoter Group have interests in other companies that may compete with us. However, our Company has entered into non-compete agreements, each dated February 18, 2016 with our corporate Promoters, Havell’s Private Limited, HIL and HEPL and our Group Companies, HPL Projects Portfolio Private Limited, JIPL and LK-HPL Private Limited pursuant to which they have agreed not to compete with the interests of the Company, including in relation to not carrying on the business of manufacturing of metering solutions, switchgears, lighting equipment and wires and cables (i) for a period of three years from the signing of such agreement or (ii) until such time that the relevant corporate Promoter or Group Company coming under the control and management of our individual Promoter, Mr. Lalit Seth and/or his associates and nominees, whichever occurs earlier. As and when conflicts arise, we will examine similar viable solutions as per applicable law and as determined by our Board of Directors.

Other than our joint ventures and Group Companies, our Promoters do not have any interest in any venture similar to those conducted by our Company.

Further, our Company entered into an ‘agreement for transfer of business’, dated August 1, 2015, HIL, our corporate Promoter, for the transfer of marketing and sales support division to our Company with effect from the date of the agreement. For further details in relation to this, see “*History and other Corporate matters*” on page 148.

Business interests within the group

None of our Group Companies have any business or other interest in our Company except for business conducted on an arm’s length basis or to the extent of any Equity Shares held by them. For more information on business transactions with our Group Companies and their impact on our financial performance, see “*Financial Statements– Annexure 31 – Restated Consolidated Statement of Related Party Transactions*” on page 270.

Except as disclosed in “– *Interest of our Promoters*” above, and in “*Our Business – Real Property*”, “*Our Management – Interests of our Directors*” and “*Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions*” on pages 172, 143 and 270, respectively.

Further, except as stated in “*Financial Statements– Annexure 31 – Restated Consolidated Statement of Related Party Transactions*” on page 270, our Company does not have any sales/purchase arising out of any transaction



with any Group Company or associate companies exceeding, in aggregate, 10% of the total sales or purchases of our Company.

Our Promoters, directors of our Group Companies and our Group Companies have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. For further information relating to legal proceedings involving our Promoters and Group Companies, see “***Outstanding Litigation and Material Developments***” on page 314.

As on the date of this Draft Red Herring Prospectus, our Promoters, members of our Promoter Group and Group Companies are not prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other regulatory or governmental authority. Further, none of our Promoters was or is a promoter or person in control of any other company that is debarred from accessing the capital markets under any order or direction made by SEBI or any other authority or is a promoter or person in control of any other Company, the securities of which have been suspended from any stock exchange due to non-compliance with listing requirements.

Sick or Defunct Companies

None of the companies forming part of our Group Companies have become sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding up proceedings have been initiated against them. Further, none of our Group Companies have become defunct and no application has been made in respect of any of them, to the respective registrar of companies where they are registered, for striking off their names, in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Participation by our Promoters in the Issue

None of our Promoters or members of our Promoter Group or any persons related to our Promoters or members of our Promoter Group will apply in the Issue.



DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time. For more information on restrictive covenants under our loan agreements, see “*Financial Indebtedness*” on page 309. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

The dividends declared by our Company on the Equity Shares during fiscal 2015, 2014, 2013, 2012 and 2011 are detailed in the following table:

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Face value per Equity Share (₹)	10	10	10	10	10
Dividend(₹ in million)	1.86	1.86	1.86	3.60	26.97
Dividend (in ₹ per Equity Share)	0.10	0.10	0.10	0.20	1.50
Equity Share Capital (₹)	185,716,790	185,716,790	185,716,790	179,796,790	179,796,790
Rate of dividend (%)	1%	1%	1%	2%	15%

However, our dividend history is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.



**SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS**

**SAHNI MEHRA & CO.
Chartered Accountants
73, SUNDER NAGAR, NEW DELHI-110003
Telephone No. 011-26142750/26142304**

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013, READ WITH RULE 4 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors

HPL Electric & Power Limited
(Formerly HPL Electric & Power Private Limited)

1/21, Asaf Ali Road,
New Delhi

Dear Sirs

We have examined the attached restated standalone financial information of HPL Electric & Power Limited ("the Company") formerly HPL Electric & Power Private Limited for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011 as approved by the Board of Directors of the Company on dated 24.12.2015, prepared by the management of the Company in terms of requirements of Section 26 of The Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the 'SEBI Regulations'), the Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note'), and in terms of our engagement agreed with you in accordance with our engagement letter dated 10.10.2015 in connection with the proposed Initial Public Offering ('IPO') of Equity Shares of the Company.

These restated standalone financial information have been extracted by the management from the standalone audited financial statements of the company for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011, which comprises of Restated Standalone Summary Statement of Assets and Liabilities, Restated Standalone Summary Statements of Profit and Loss and Restated Standalone Summary Statement of Cash Flows, as at and for each of the respective period / years then ended, for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed Initial Public Offering ('IPO').

- 1 In accordance with the requirements of Section 26 of The Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations; the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that :
 - i) The Restated Standalone Summary Statement of Assets and Liabilities as at 30th September 2015, 31st March 2015, 2014, 2013, 2012 and 2011, examined by us, as set out in "Annexure -1" to this report read with the significant accounting policies in "Annexure - 4" and notes to the restated standalone financial information in "Annexure - 5", after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated standalone financial information in "Annexure - 6" to this report.
 - ii) The Restated Standalone Summary Statement of Profit and Loss of the Company for the six months period ended 30 September 2015 and the years ended 31 March 2015, 2014, 2013, 2012 and 2011 as set out in "Annexure- 2" to this report read with the significant accounting policies in "Annexure - 4" and notes to the restated standalone financial information in "Annexure - 5", after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated standalone financial information in "Annexure - 6" to this report.
 - iii) The Restated Standalone Summary Statement of Cash Flows of the Company for the six months period ended 30 September 2015 and the years ended 31 March 2015, 2014, 2013, 2012 and 2011 as set out in "Annexure - 3" to this report read with the significant accounting policies in "Annexure - 4" and notes to the restated standalone financial information in "Annexure - 5", after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated standalone financial information in "Annexure - 6" to this report.
- 2 Based on our examination we are of the opinion that the Restated Standalone 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 the changed accounting policy for all the reporting periods \ years based on the policies adopted by the Company as at 30th September 2015,
 - ii) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to, and
 - iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information and do not contain any qualifications requiring adjustments.

3 We have examined the restated financial information of the Company listed below, prepared by the management and approved by the Board of Directors of the Company for the six months period ended 30 September 2015 and the years ended 31st March , 2015, 2014, 2013, 2012 and 2011:

- (i) Statement of Significant Accounting Policies, enclosed as "Annexure -4";
- (ii) Notes on Restated Standalone Financial Information, enclosed as "Annexure- 5";
- (iii) Statement of Material Adjustments on Restated Standalone Financial Information, enclosed as " Annexure- 6";
- (iv) Restated Standalone Statement of Share Capital, enclosed as "Annexure -7";
- (v) Restated Standalone Statement of Reserves and Surplus, enclosed as "Annexure -8";
- (vi) Restated Standalone Statement of Long Term Borrowings & Short Term Borrowing, enclosed as "Annexure - 9";
- (vii) Restated Standalone Statement of Deferred Tax Assets / Liabilities (Net), enclosed as "Annexure - 10";
- (viii) Restated Standalone Statement of Other Long-Term Liabilities and Long-Term Provisions, enclosed as "Annexure - 11";
- (ix) Restated Standalone Statement of Trade Payables, Other Current Liabilities & Short Term Provisions, enclosed as "Annexure-12";
- (x) Restated Standalone Statement of Tangible / Intangible Assets and Capital Work in Progress, enclosed as "Annexure - 13";
- (xi) Restated Standalone Statement of Investments, enclosed as "Annexure - 14";
- (xii) Restated Standalone Statement of Long-Term Loans & Advances and Other Non-Current assets, enclosed as "Annexure-15";
- (xiii) Restated Standalone Statement of Inventories, enclosed as "Annexure - 16";
- (xiv) Restated Standalone Statement of Trade Receivables, enclosed as "Annexure - 17";
- (xv) Restated Standalone Statement of Cash and Bank Balances, enclosed as "Annexure - 18";
- (xvi) Restated Standalone Statement of Short-Term Loans and Advances and Other Current Assets, enclosed as "Annexure - 19";
- (xvii) Restated Standalone Statement of Revenue from Operations, enclosed as "Annexure - 20";
- (xviii) Restated Standalone Statement of Other Income, enclosed as "Annexure - 21";
- (xix) Restated Standalone Statement of Consumption of Raw Material & Other Components, enclosed as "Annexure - 22";
- (xx) Restated Standalone Statement of Changes in Inventories of Finished Goods & Work in Progress, enclosed as "Annexure - 23";
- (xxi) Restated Standalone Statement of Employee Benefit Expenses, enclosed as "Annexure - 24";
- (xxii) Restated Standalone Statement of Finance Costs, enclosed as "Annexure - 25";
- (xxiii) Restated Standalone Statement of Depreciation Expenses, enclosed as "Annexure - 26";
- (xxiv) Restated Standalone Statement of Other Expenses, enclosed as "Annexure - 27";
- (xxv) Restated Standalone Statement of Dividends, enclosed as "Annexure - 28";
- (xxvi) Restated Standalone Statement of Accounting Ratios, enclosed as "Annexure - 29";
- (xxvii) Restated Standalone Capitalisation Statement, as appearing in "Annexure - 30";
- (xxviii) Restated Standalone Statement of Related Party Transactions, enclosed as Annexure 31;
- (xxix) Restated Standalone Statement of Segmental Reporting disclosure, enclosed as "Annexure - 32"; and
- (xxx) Restated Standalone Statement of Tax Shelter, enclosed as "Annexure - 33".

4 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as an opinion on any of the standalone financial statements referred to herein.

5 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

6 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the Company, Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Firm Registration Number: 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. 009246

Place: New Delhi
Date: December 24, 2015

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure 1

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(INR in Million)

	Particulars	Annexure	As at					
			30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	Equity & Liabilities							
	Shareholder's Funds							
	Share Capital	7	185.72	185.72	185.72	185.72	179.80	179.80
	Reserves & Surplus	8	3,170.42	3,002.25	2,921.39	2,635.73	2,233.77	1,950.39
2	Non Current Liabilities							
	Long Term Borrowings	9A	831.59	953.67	670.99	510.89	824.20	569.64
	Deferred Tax Liabilities (Net)	10	197.67	185.28	160.17	133.81	106.60	70.51
	Other Long Term Liabilities	11A	182.31	172.17	165.79	155.65	76.72	58.45
	Long Term Provisions	11B	26.74	15.97	13.47	11.55	11.89	5.44
3	Current Liabilities							
	Short Term Borrowings	9B	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01
	Trade Payables	12A	2,835.90	2,435.36	1,935.00	2,065.76	1,469.70	1,024.67
	Other Current Liabilities	12B	526.68	403.72	506.19	456.36	418.95	336.87
	Short Term Provisions	12C	121.08	164.48	142.44	145.55	125.71	166.72
	TOTAL		13,026.30	11,417.30	9,857.00	9,071.08	7,678.04	5,660.50
4	Non Current Assets							
	Fixed Assets	13						
	Tangible Assets		3,348.61	3,067.95	2,771.28	2,130.02	1,746.62	1,268.67
	Intangible Assets		-	-	-	1.20	-	-
	Capital Work in Progress		12.99	-	290.34	527.14	657.39	720.92
	Non Current Investments	14	540.00	150.67	150.67	150.67	150.67	150.67
	Long Term Loans & Advances	15	148.86	13.60	14.86	11.44	13.92	14.95
5	Current Assets							
	Inventories	16	2,858.08	3,061.94	2,536.54	2,612.63	2,107.39	1,380.69
	Trade Receivables	17	5,062.31	4,009.79	3,281.62	2,680.98	2,168.88	1,444.98
	Cash & Cash Equivalents	18	534.07	544.18	464.00	524.23	472.03	297.36
	Short Term Loan and Advances	19A	514.18	558.22	335.12	424.87	354.57	378.31
	Other Current Assets	19B	7.20	10.95	12.57	7.90	6.57	3.95
	TOTAL		13,026.30	11,417.30	9,857.00	9,071.08	7,678.04	5,660.50

Note :

- 1) The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Standalone Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustements as given in Annexure - 6.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 2

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Million)

Particulars	Annexure	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A Revenue:							
Revenue From Operations	20	5,475.75	10,451.12	10,071.90	9,032.41	7,157.35	5,659.41
Other Income	21	22.68	47.20	50.87	43.03	31.20	15.62
Total Revenue		5,498.43	10,498.32	10,122.77	9,075.44	7,188.55	5,675.03
B Expenses:							
Cost of Material Consumed	22	3,405.38	7,431.18	7,290.63	6,736.99	5,500.04	4,136.98
Change in Inventories of Finished Goods & Work in Progress	23	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)
Employee Benefit Expenses	24	404.43	664.64	554.95	503.51	459.42	338.03
Finance Costs	25	377.30	699.26	590.36	617.07	412.85	209.99
Depreciation Expenses	26	89.67	162.02	132.88	113.49	66.94	51.14
Other Expenses	27	670.71	1,389.33	1,278.54	992.75	875.86	734.60
Total Expenses		5,274.14	10,060.63	9,741.97	8,658.46	6,805.12	5,201.84
C Restated Profit Before Extraordinary Items and Tax (A-B)		224.29	437.69	380.80	416.98	383.43	473.19
D Add / Less : Extraordinary Items		-	-	-	-	-	-
E Restated Profit Before Tax (C-D)		224.29	437.69	380.80	416.98	383.43	473.19
F Tax Expense / (Income)							
Current Tax		47.87	92.00	79.82	84.22	78.39	95.98
Deferred Tax		12.39	25.11	26.36	27.21	36.09	10.94
Less: MAT Credit Entitlement		(4.14)	(23.85)	(13.22)	(8.59)	(18.61)	(6.26)
Total Tax Expenses		56.12	93.26	92.96	102.84	95.87	100.66
G Restated Profit After Tax		168.17	344.43	287.84	314.14	287.56	372.53

Note :

- 1) The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Standalone Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustments as given in Annexure - 6.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 3

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES						
Profit Before Tax	224.29	437.69	380.80	416.98	383.43	473.19
Adjustments to Reconcile Profit Before Tax to Net Cash Flows						
Depreciation & Amortisation Expenses	89.67	162.02	132.88	113.49	66.94	51.14
Loss / (Profit) on sale On fixed assets (net)	-	0.12	1.47	0.67	3.61	0.28
Interest Income	(19.96)	(38.74)	(40.87)	(39.80)	(30.54)	(14.02)
Interest Expense	377.30	699.26	590.36	617.07	412.85	209.99
Operating profit before working capital changes	671.30	1,260.35	1,064.64	1,108.41	836.29	720.58
Movement in Working Capital						
Decrease/(Increase) in Trade receivables	(1,052.52)	(728.17)	(600.64)	(512.10)	(723.90)	352.29
Decrease/(Increase) in Security Deposits	(4.42)	1.26	(6.98)	2.77	(0.39)	(1.27)
Decrease/(Increase) in Short Term Advances	(41.76)	(170.78)	93.04	(50.46)	29.41	(106.55)
Decrease/(Increase) in Other Current Assets	3.75	1.62	(4.67)	(1.33)	(2.62)	57.14
Decrease/(Increase) in Inventories	203.86	(525.40)	76.09	(505.24)	(726.70)	(531.05)
Increase / (Decrease) in Short Term Provision	0.73	9.80	1.27	16.03	3.75	19.67
Increase / (Decrease) in Trade Receipts / Securities	10.14	6.38	10.14	78.93	18.27	24.97
Increase / (Decrease) in Long Term Provision	10.77	2.50	1.92	(0.34)	6.45	1.45
Increase / (Decrease) in Other Current Liabilities	176.08	20.20	24.80	(17.65)	38.51	29.62
Increase / (Decrease) in Trade Payables	400.54	500.36	(130.76)	596.06	445.03	386.76
Cash generated from / (used) in Operations	378.47	378.12	528.85	715.08	(75.90)	953.61
Direct Taxes Paid (net of Refunds)	(2.06)	(108.30)	(74.29)	(89.64)	(83.05)	(99.54)
Net cash flow from / (used) in Operating Activities (A)	376.41	269.82	454.56	625.44	(158.95)	854.07
B. CASH FLOW FROM INVESTING ACTIVITIES						
Capital Advances (net of Capital Creditors)	(130.84)	-	3.56	(0.29)	1.42	(2.79)
Purchase of Fixed Assets	(370.33)	(721.10)	(776.45)	(499.28)	(551.64)	(256.92)
(Increase) / Decrease in Capital Work in Progress	(12.99)	290.34	236.80	130.25	63.53	(527.30)
Proceeds from Sale of Fixed Assets	-	0.97	2.04	0.52	3.15	0.27
Purchase of Investment (net)	(389.33)	-	-	-	-	(0.01)
Interest Income Received	19.96	38.74	40.87	39.80	30.54	14.02
Net Cash Flow From / (used) in Investing Activities (B)	(883.53)	(391.05)	(493.18)	(329.00)	(453.00)	(772.73)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Working Capital Loan (Net)	1,049.51	742.84	385.78	539.36	932.69	(113.12)
Proceeds from Issue of Share Capital	-	-	-	5.92	-	60.00
Proceeds from Security Premium	-	-	-	89.98	-	-
Proceeds from Secured Long Term Loan (Net)	(175.20)	160.01	185.13	(258.25)	298.13	281.50
Interest Paid	(377.30)	(699.26)	(590.36)	(617.07)	(412.85)	(209.99)
Dividends Paid on Equity Shares	-	(1.86)	(1.86)	(3.60)	(26.97)	(17.97)
Tax on Dividends Paid on Equity Shares	-	(0.32)	(0.30)	(0.58)	(4.38)	(3.05)
Net cash flow from / (used) in Financing Activities (C)	497.01	201.41	(21.61)	(244.24)	786.62	(2.63)
Net cash Increase/ (decrease) in cash and cash equivalents (A+B+C)	(10.11)	80.18	(60.23)	52.20	174.67	78.71
Cash and cash equivalents at the beginning of the year/ period	544.18	464.00	524.23	472.03	297.36	218.65
Cash and cash equivalents at the end of the year/ period	534.07	544.18	464.00	524.23	472.03	297.36

Note :

- The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Standalone Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustements as given in Annexure - 6.

HPL ELECTRIC & POWER LIMITED
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Annexure - 4

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

HPL Electric & Power Limited, formerly known as HPL Electric & Power Private Ltd ('the Company') is a Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Company is engaged in the manufacturing of wide range of Electronic Energy Static Meters, Circuit Protection Switchgears, Modular Switches, Wires & Cables, CFL and LED Lamps, LED Street Lightings and Luminaries for Domestic, Commercial and Industrial applications. The Company's manufacturing facilities are located at Gurgaon, Gharaunda (Distt. Karnal), Gannaur (Distt. Sonapat), Kundli (Distt. Sonapat), all in Haryana, and Jabli in Himachal Pradesh.

The Company has two R&D facilities approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, which are located at Gurgaon and Kundli in Haryana.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

- i) The restated standalone summary of assets and liabilities, the related standalone summary of profits and loss and the statement of cash flows for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011, (herein collectively referred to as "Restated Standalone Summary Statements" have been extracted by the management from the audited financial statements of the Company for the six months period ended 30th September 2015 and for each of the financial years ended 31st March 2015, 2014, 2013, 2012 and 2011.
- ii) The restated standalone summary statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub section(1) (a) of Section 642 and the relevant provisions of Companies Act 1956 (The Act) read with general circular 15/2013 dated September 13, 2013 and circular no.8/2014 dated April 04, 2014 of Ministry of Corporates Affairs in respect of Section 133 of the Companies Act 2013. The restated summary statements have been prepared on a going concern and accrual basis. The accounting Policies have been constantly applied by the Company unless otherwise stated and are consistent with those used in the previous years.
- iii) The restated standalone summary statements have been prepared to comply with the requirements of Section 26 of the Companies Act 2013, read with Rule 4 of Companies (Prospects and allotment of Securities) rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('The Regulations').
- iv) The audited standalone Financial Statements summary for the six months period ended 30th September 2015 and for the year ended 31st March 2015 have been prepared in accordance with the Schedule III of the Companies Act, 2013, for the financial years ended on 31st March 2014, 2013, 2012 and 2011 in accordance with pre revised Schedule VI of the Companies Act 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with the Schedule III of the Companies Act 2013. The Adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial year ended 2011, adoption of Revised Schedule VI of the Companies Act, 1956 and the then Schedule III of the Companies Act, 2013 has significant impact on the presentation and disclosure made in the financial statements of these years.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

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Annexure - 4 (contd.)

c) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014. Assets retired from active use and held for disposal are stated at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

d) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately. However Schedule II allows companies to use higher / lower useful lives and values, If such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of the fixed assets. The depreciation on assets for a value not exceeding Rs.5000 /- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013. Intangible Assets are amortized over estimated useful life of assets on Straight Line basis. Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

f) Inventories

- i) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.
- ii) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.
- iii) Purchased Goods-in-transit are carried at cost.
- iv) Stores and Spares are valued at lower of cost or net realizable value.
- v) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

g) Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount / trade obligations and sales tax / vat. Export sales are recognized on the date of shipping / air way bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis. Interest income / expenses are recognized using the time proportion method based on the rate implicit in the transaction. Dividend income is recognized when the right to receive dividend is established.

h) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

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Annexure - 4 (contd.)

i) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit & Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

j) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management. Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year. Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year. Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans. Termination benefits are recognized as an expense immediately. Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

k) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

l) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

m) Cash Flow

Cash Flow are reported according to the indirect method as specified in the Accounting Standard-3 (Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

n) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

i) Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

ii) Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

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Annexure - 4 (contd.)

o) Lease

i) Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment. Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

ii) Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

p) Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/ Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise. To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expenses over the life of the contracts. To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expenses for the period. To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option. To account for profit / loss arising on settlement or cancellation of currency option as income / expenses for the period. To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet dates, and to ignore the net gain, if any.

To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end. To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment. To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

q) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

r) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

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Annexure - 4 (contd.)

s) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are compiled and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

t) Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting" as issued by The Chartered Accountant of India. The company has identified its segment and broadly distributed in two segment under Primary Segment and Secondary Segment. The basis of identification of its segment is classified below :

i) Primary- Business Segment

In this segment , the Company has identified four reportable segments viz. Metering, Switchgears, Lighting and Wires & Cables on the basis of the nature of products, the risk and return profile of individual business & the internal business reporting systems.

ii) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the Customers. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated". Segment assets and segment liabilities represent assets and liabilities in Respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonablebasis have been disclosed as "Unallocated".

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Annexure - 5

NOTES ON RESTATED STANDALONE FINANCIAL INFORMATION

A : Disclosures pursuant to Accounting Standard (AS) 15 "Employee Benefits ":

The company had a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed years of service.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amount recognized in the Balance Sheet for the respective plans.

1. Defined Contribution Plans (Recognized as expenses for the year) (INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Employer's Contribution to Provident Fund	7.48	10.04	7.84	6.85	10.59	8.02
Employer's Contribution to ESI	1.06	2.29	2.36	2.28	3.76	3.36
Employer's Contribution to Welfare fund	0.07	0.15	0.15	0.15	0.16	0.14
Employer's Contribution to PPF	-	-	0.08	0.32	-	-
TOTAL	8.61	12.48	10.43	9.60	14.51	11.52

2. Defined Benefit Plans

(a). Reconciliation of opening and closing balance of Defined Benefit Obligation (INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Opening Balance	18.43	15.81	13.34	11.89	5.44	3.99
Current Service Cost	2.96	3.14	3.06	2.88	2.53	1.26
Interest Cost	0.74	1.26	1.20	0.98	0.48	0.33
Acturial (gain) / loss	8.10	(0.58)	(1.13)	(1.85)	3.52	(0.14)
Benefits Paid	(0.17)	(1.20)	(0.66)	(0.56)	(0.08)	-
Closing Balance	30.06	18.43	15.81	13.34	11.89	5.44

(b). Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Funded Obligation	30.06	18.43	15.81	13.34	11.89	5.44
Fair Value of Plan Assets	-	-	-	-	-	-
Unfunded Net Liability recognized in the Balance sheet disclosed under Long Term Provisions and Short Term Provisions	30.06	18.43	15.81	13.34	11.89	5.44

(c). Expenses recognized during the year

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Current Service Cost	2.96	3.14	3.06	2.88	2.53	1.26
Interest Cost	0.74	1.26	1.20	0.98	0.48	0.33
Expected Return on Plan Assets	-	-	-	-	-	-
Net Acturial (gain) / loss recognized in the period	8.10	(0.58)	(1.13)	(1.85)	3.52	(0.14)
Net Cost	11.80	3.82	3.13	2.01	6.53	1.45

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Annexure - 5 (Cont..)

B : Disclosures pursuant to Accounting Standard (AS) 16 " Borrowing Cost ":

Sum attributable to the acquisition or construction of qualifying assets has been capitalized are as under :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Borrowing Cost	-	37.47	81.50	44.42	44.16	36.95

C : Disclosures pursuant to Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets ":

(a) Movement in Provisions for Product Warranty

The company has made provision for warranties based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given as under below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Opening Balance	47.68	46.80	36.77	31.54	30.54	25.00
Add : Additions made during the year	20.00	30.00	30.00	20.00	15.00	15.00
Less : Used / Reversed during the year	21.47	29.12	19.97	14.77	14.00	9.46
Closing Balance	46.21	47.68	46.80	36.77	31.54	30.54

(b) Bank Guarantee

There was no such bank guarantee was given by Bank on our behalf to any third party.

(c) Contingent Liabilities

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Disputed Demand Liabilities with HUDA (refer note ii)	-	-	0.30	0.30	0.30	0.30
Demand Liabilities with Service Tax Authorities (refer note ii)	16.01	16.01	3.01	3.54	2.80	0.16
Demand Liabilities under Haryana Vat Authorities (refer note ii)	9.21	9.21	7.23	6.95	2.86	-
Demand Liabilities under Central Exice Authorities (refer note ii)	7.22	7.22	13.26	13.26	13.52	10.75
Liability towards banks against receivable buyout facility (refer note i)	-	300.00	300.00	350.00	100.00	100.00
Demand Liabilities under ESI Authorities (refer note ii)	-	-	-	-	0.46	0.46
Total	32.44	332.44	323.80	374.05	119.94	111.67

Notes :

- The company has utilized a receivable buy out facility as stated above from IndusInd Bank Ltd. against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.
- These are the cases where dues are pending with Taxation and other authorities as on Balance Sheet dates which have not been deposited on account of disputes. Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provisions has been considered in the books of accounts. Besides these dues, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account. Details of these dues are as under :-

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Annexure 5 (Cont..)

Details of the dues against pending cases with Authorities :

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the disputes is pending	As at						Remarks
				30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	
HUDA	Demand for enhancement of land value	1996	HUDA	-	-	0.30	0.30	0.30	0.30	No demand
ESI Act, 1948	Demand for ESI	1999-2000	District Court Gurgaon	-	-	-	-	0.35	0.35	No demand
ESI Act, 1948	Demand for ESI	2004-05 to 2010-11	District Court Gurgaon	-	-	-	-	0.11	0.11	No demand
Central Excise Act, 1944	Demand for Excise Duty	2001-2002	CESTAT, New Delhi	-	-	-	-	0.26	0.35	No demand
Central Excise Act, 1944	Demand for Excise Duty	2000-01	Punjab & Haryana High Court	-	-	10.40	10.40	10.40	10.40	No demand
Central Excise Act, 1944	Demand for Excise Duty	2007-08	CESTAT, New Delhi	4.54	4.54	1.82	1.82	1.82	-	Pending
Central Excise Act, 1944	Demand for Excise Duty	2007-08	CESTAT, New Delhi	1.04	1.04	1.04	1.04	1.04	-	Pending
Central Excise Act, 1944	Demand for Excise Duty	2008-09	Add. Comm. LTU, Delhi	1.64	1.64	-	-	-	-	Pending
Finance Act, 1994	Demand for Service Tax Credit	2007-08 to 2010-11	CESTAT, New Delhi	2.28	2.28	2.28	2.28	2.28	0.16	Pending
Finance Act, 1994	Demand for Service Tax Credit	2008-09	Commissioner Appeal, LTU, Delhi	-	-	0.52	0.52	0.52	-	No demand
Finance Act, 1994	Demand for Service Tax Credit	2012-13 to 2014-15	LTU, Delhi	0.36	0.36	0.10	0.10	-	-	Pending
Finance Act, 1994	Demand for Cenvat Credit	2011-2012	LTU Delhi	0.11	0.11	0.11	0.11	-	-	Pending
Finance Act, 1994	Demand for Cenvat Credit	2008-09	CESTAT, New Delhi	13.26	13.26	-	0.53	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-2012	Joint Comm., (Appeal), Rohtak	0.24	0.24	0.24	0.24	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2008-2009	Haryana Tax, Tribunal, Chandigarh	2.55	2.55	2.55	2.77	2.86	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2010-11	Joint Comm., (Appeal), Rohtak	1.78	1.78	1.62	1.62	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2009-10	Haryana Tax, Tribunal, Chandigarh	0.48	0.48	0.50	-	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-12	Haryana Tax, Tribunal, Rohtak	1.84	1.84	-	-	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-12	Haryana Tax, Tribunal, Sonapat	2.32	2.32	2.32	2.32	-	-	Pending

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Annexure - 5 (Cont..)

D : Research and Development Expenses

The company is registered for In-house Research & Development with the Ministry of Science & Technology and availing the exemption of custom & exice duty as prescribed for carrying out its Resesrch Acitivities. Following are the detials of the expenses incurred and booked as expenses in the year it ocured towards it Research & Development Acitivities :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
I. Capital Expenditure	3.72	0.81	2.52	3.73	2.21	1.04
Sub Total	3.72	0.81	2.52	3.73	2.21	1.04
II. Revenue Expenditure						
Employee Cost	29.12	51.80	51.68	47.10	32.30	19.22
Staff Welfare	0.48	1.22	0.40	0.35	0.18	0.17
Purchase of Raw Materials	2.44	3.87	4.66	4.23	1.98	2.84
Electricity Expenses	0.61	1.05	0.91	0.51	0.45	0.46
Communication Expenses	0.08	0.55	0.57	0.51	0.28	0.26
Travelling & Conveyance	0.27	1.38	3.66	2.20	1.11	1.13
Repair & Maintenance	0.03	1.06	0.21	0.11	0.15	0.82
Sampling & Testing	-	0.36	5.28	5.02	0.39	1.57
Sub Total	33.03	61.29	67.37	60.03	36.84	26.47
TOTAL :-	36.75	62.10	69.89	63.76	39.05	27.51

E : Auditor's Remuneration

Following are the details of the expenses incurred by the company towards its Audit and other professional & legal expenses :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Statutory Audit Fees	0.25	0.30	0.30	0.20	0.20	0.10
Tax Audit Fees	-	0.10	0.10	0.10	0.10	-
Company Law Matter	-	-	-	0.13	0.20	-
Other Services	-	-	-	0.05	0.05	-

F . Earning Per Share :

In accordance with AS-20 for "Earnings per Share", the basic & diluted earnings per share is being calculated as under :

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
(A) Net Profit attributable to Equity Shareholders (INR in Million)	168.17	344.43	287.84	314.14	287.56	372.53
Weighted Average No. of Equity Shares (Post-bonus issue):						
(B) For Basic EPS (Nos.)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
(C) For Diluted EPS (Nos.)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
Basic EPS (Post-bonus issue) (A / B)	3.62	7.42	6.20	6.81	6.40	8.48
Diluted EPS (Post-bonus issue) (A / C)	3.62	7.42	6.20	6.81	6.40	8.48
Weighted Average No. of Equity Shares (Pre-bonus issue):						
(D) For Basic EPS	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
(E) For Diluted EPS	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
Basic EPS (Pre-bonus issue) (A / D)	9.06	18.55	15.50	17.16	15.99	21.94
Diluted EPS (Pre-bonus issue) (A / E)	9.06	18.55	15.50	17.16	15.99	21.94

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Annexure - 5 (Cont..)

Note:

Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015.

G : Value of Imports (on CIF basis) :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
I. Raw materials	966.01	2,545.83	2,132.54	2,023.75	1,802.17	1,640.27
II. Capital Goods	11.70	6.46	8.46	11.92	22.31	9.85

H : Earning in Foreign Currency :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Sale on FOB basis	85.96	279.98	216.36	177.01	24.94	14.03

I : Expenditure in Foreign Currency during the year :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Travelling	1.07	0.68	0.47	2.66	1.48	0.95
Dividend Remitted	-	-	0.10	0.20	1.49	1.49
No. of Non-Resident Shareholders	-	-	1	1	1	1
No. of shares held by Non-Resident Shareholders	-	-	37,646	993,316	993,316	993,316

J : Derivative Instruments :

a) Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Buy :						
US dollar	Nil	2.03	6.33	9.55	11.02	4.27
Cross Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Amount in Indian Rupees	Nil	99.75	307.35	461.96	531.98	264.86
Sell :						
US dollar	Nil	Nil	Nil	Nil	Nil	Nil

b) Foreign currency exposure recognized by the company that have not been hedged by a derivative instrument or otherwise :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Buy :						
US dollar	16.09	9.78	7.41	3.77	3.63	2.84
Cross Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Amount in Indian Rupees	1,058.14	611.10	443.95	204.99	184.85	126.48
Sell :						
US dollar	Nil	Nil	Nil	Nil	Nil	Nil

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Annexure - 5 (Cont..)

K : Disclosures pursuant to Accounting Standard -27 "Financial Reporting of Interest in Joint Ventures ":

As per section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, disclosures in respect of company's share in each of the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the company and the Joint Ventures) related to its interest in Joint Ventures, based on audited Financial Statements as on year ended are as under :

I. HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Designs (JV)

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended			
		31.03.2015	31.03.2014	31.03.2013	31.03.2012
A. Liabilities					
Reserve & Surplus					
Surplus in Profit & Loss A/c	(3.98)	(2.59)	(2.41)	(0.29)	(0.19)
Non Current Liabilities					
Other Long Term Liabilities	1.49	2.94	5.29	8.13	6.12
Current Liabilities					
Trade Payables	3.19	6.08	3.86	5.73	-
Other Current Liabilities	35.80	28.54	56.65	29.07	0.01
Total	36.50	34.97	63.39	42.64	5.94
B. Assets					
Non Current Assets					
Tangible Assets	0.03	0.03	0.04	0.04	-
Current Assets					
Inventories	16.47	20.23	47.07	20.88	-
Trade Receivables	5.91	1.03	-	1.83	-
Cash & Bank Balances	0.18	0.06	0.81	0.03	0.03
Short Term Loan & Advances	13.91	13.62	15.47	19.86	5.91
Total	36.50	34.97	63.39	42.64	5.94
C. Income					
Revenue from Operations	9.54	14.81	30.53	49.40	-
Other Income	-	-	-	0.01	-
Total	9.54	14.81	30.53	49.41	-
D. Expenses					
Material Consumption Cost	4.13	2.21	8.93	26.81	-
Manufacturing & Other Operating Expenses	4.90	7.03	17.72	19.55	-
Selling & Distribution Expenses	0.18	0.14	0.09	0.18	-
Depreciation	-	-	-	-	-
Finance Cost	-	-	2.32	-	-
Employee Benefit Expenses	-	-	-	1.07	-
Other Expenses	1.72	5.61	3.59	1.90	0.19
Total	10.93	14.99	32.65	49.51	0.19
Profit / (Loss) Before Tax (C-D)	(1.39)	(0.18)	(2.12)	(0.10)	(0.19)

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Annexure - 5 (Cont..)

II. HPL Electric & Power Private Limited - Shriji Design (JV)

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended			
		31.03.2015	31.03.2014	31.03.2013	31.03.2012
A. Liabilities					
Reserve & Surplus					
Surplus in Profit & Loss A/c	(6.69)	(3.39)	(5.37)	(3.36)	(3.51)
Current Liabilities					
Trade Payables	0.67	0.92	1.26	3.53	2.72
Other Current Liabilities	13.32	14.41	30.40	21.90	13.47
Total	7.30	11.94	26.29	22.07	12.68
B. Assets					
Non Current Assets					
Tangible Assets	0.02	0.02	0.02	0.02	0.03
Current Assets					
Inventories	-	2.00	18.72	8.59	4.73
Trade Receivables	5.70	8.12	5.45	7.53	4.79
Cash & Bank Balances	0.15	0.05	0.07	0.02	0.06
Short Term Loan & Advances	1.43	1.75	2.03	5.91	3.07
Total	7.30	11.94	26.29	22.07	12.68
C. Income					
Revenue from Operations	0.19	5.35	7.02	32.57	55.01
Other Income	0.13	0.07	0.10	0.02	-
Total	0.32	5.42	7.12	32.59	55.01
D. Expenses					
Material Consumption Cost	2.52	0.52	2.66	15.24	37.33
Manufacturing & Other Operating Expenses	0.25	1.69	2.19	12.18	19.25
Selling & Distribution Expenses	0.07	-	0.18	0.22	0.22
Depreciation	-	-	-	-	-
Finance Cost	-	0.01	0.01	-	0.01
Employee Benefit Expenses	-	-	-	2.86	0.30
Other Expenses	0.78	1.22	4.09	1.94	1.41
Total	3.62	3.44	9.13	32.44	58.52
Profit / (Loss) Before Tax (C-D)	(3.30)	1.98	(2.01)	0.15	(3.51)

Note :

The Company has entered into Joint Venture Arrangements for carrying out Railway Electrification. Since the Joint Ventures have the constitution of 'Association of Persons' (AOP), there is no fixed investment has been made in these Joint Ventures. The short term mismatches in receipts and payments with these Joint Ventures are bridged by the Company. Details of Arrangements as per details given below :

Particulars of Joint Venture	Proportion of Ownership / Interest	Country of Residence
HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Designs	94%	India
HPL Electric & Power Private Limited - Shriji Designs	97%	India

L : Disclosures pursuant to Corporate Social Responsibility":

As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility ('CSR'). Accordingly , a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. CSR Committee is exploring the area of activities to be carried out under CSR program of the Company. The Company will compensate the shortfall on this account in years to come.

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Annexure - 6

STATEMENT OF MATERIAL ADJUSTMENTS ON RESTATED STANDALONE FINANCIAL INFORMATION

The summary of results of restatement made in the audited standalone financial statements for the respective years and its impact on the profit/ (loss) of the Company is as follows:

Particulars	Six months ended 30.09.2015	(INR in Million)				
		Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
(A) Net Profit / (Loss) as per Audited Financial Statements	160.04	343.62	301.26	317.80	291.08	377.23
(B) Adjustments on Account of:						
(Under) / Over Provision of Taxes (refer note i)	-	0.60	0.01	(0.02)	(1.69)	(1.09)
Adjustment in MAT Credit Entitlement (refer note ii)	1.94	25.35	(6.17)	(0.27)	5.10	(1.35)
Adjustment in deferred taxes (refer note iii)	5.16	(26.56)	(0.25)	0.29	(6.23)	1.62
Net (Addition) / Reversal under Warranty Claim (refer note iv)	1.47	2.09	(10.03)	(5.23)	(1.00)	(5.54)
Total Adjustment	8.57	1.48	(16.44)	(5.23)	(3.82)	(6.36)
Tax Impact of Adjustment (refer note v)	(0.31)	(0.44)	2.09	1.04	0.21	1.11
Impact on MAT Credit Entitlement (refer note v)	0.31	0.44	(2.09)	(1.04)	(0.21)	(1.11)
Impact on deferred taxes (refer note v)	(0.43)	(0.63)	3.02	1.57	0.28	1.66
Rounded Off Differences	(0.01)	(0.04)	-	-	0.02	-
(E) Restated Profit / (Loss) after Tax (C-D)	168.17	344.43	287.84	314.14	287.56	372.53

Notes:

i. Under / (Over) Provision of Tax :

Provision for Taxes has been restated and accounted based on orders / intimations received from Income tax Authorities.

ii. Adjustment in MAT Credit Entitlement :

These adjustment includes rectification in MAT Credit Entitlement and impact of restatement adjustment identified above.

iii. Adjustment in deferred taxes :

These Adjustment includes rectification in calculation of Deferred Tax, and impact of restatement adjustment identified above.

iv. Net (Addition) / Reversal under Warrant Claim:

The company has made additional provision of warranty for the year ended March 2015, 2014, 2013, 2012, 2011 and the period ended September 2015 on the basis of best estimates of the expenditure required to settle the obligation at the balance sheet dates. According restatement has been made.

v. Impact of Restatement in Taxes, MAT and Deferred Taxes :

The Restated summary statements have been adjusted for the tax impact and impact on MAT credit entitlement & Deferred taxes of the restatement adjustments identified above in the respective years / periods.

vi. Material Regrouping :

Restated Standalone financial statements has been reclassified for the corresponding items of income, expenses, assets & liabilities wherever required in order to bring them in line with the regrouping and prepared in accordance with Schedule III of the Companies Act , 2013 and the requirement of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

vii. Adjustment in Opening Reserve & Surplus :

The company had expensed out income tax expenses amounting to INR 27.26 Million which pertains to period prior to April 1, 2010. In the restated standalone financial information, such expenses has been adjusted against opening balance of Reserve and Surplus under the head ' Surplus' as on April 1, 2010.

Short Provision in respect of Warranty claims upto March 31, 2010 amounting to INR 25.00 Million has been adjusted against opening balance of Reserve and Surplus (Surplus) as on April 1, 2010.

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Annexure - 7

RESTATEd STANDALONE STATEMENT OF SHARE CAPITAL

Particulars	As at										(INR in Million)	
	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(a) Authorised Share Capital :												
Equity Shares of Rs. 10 each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	18,000,000	180.00	18,000,000	180.00
Total	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	18,000,000	180.00	18,000,000	180.00
(b) Issued, Subscribed, & Fully Paid up :												
Equity Shares of Rs. 10 each fully paid up	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	17,979,679	179.80	17,979,679	179.80
Total	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	17,979,679	179.80	17,979,679	179.80

(c) Reconciliation of No. of Shares Outstanding :												
Balance at the beginning of the year / period	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
Add: Shares issued during the year / period	18,571,679		18,571,679		18,571,679		17,979,679		17,979,679		11,979,679	
Balance at the end of the year / period	18,571,679		18,571,679		18,571,679		18,571,679		17,979,679		17,979,679	

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL EQUITY SHARES AS ON BALANCE SHEET DATE :

Particulars	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Mr. Lalit Seth	3,081,239	16.59%	3,081,239	16.59%	3,081,239	16.59%	3,081,239	16.59%	3,081,239	17.14%	3,081,239	17.14%
Socomec S.A.(France)	-	-	-	-	-	-	993,316	5.35%	993,316	5.52%	993,316	5.52%
HPL India Limited	4,695,295	25.28%	4,695,295	25.28%	4,695,295	25.28%	4,695,295	25.28%	4,310,295	23.97%	4,760,295	26.48%
Havell's Private Limited	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.32%	1,137,062	6.32%
Havell's Electronics Private Limited	4,660,852	25.10%	4,660,852	25.10%	4,660,852	25.10%	4,660,852	25.10%	4,453,852	24.77%	4,003,852	22.27%
Himachal Energy Private Limited	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.51%	2,250,000	12.51%

Note :

- 1) During the F.Y. 2010-11, the company has issued 60,00,000 equity shares of Rs. 10 each fully paid up at par on Preferential basis.
- 2) During the F.Y. 2012-13, Authorised Capital of the company has increased to 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each.
- 3) During the F.Y. 2012-13 the company has issued 5,92,000 equity shares of Rs. 10 each fully paid up at a premium of Rs. 152/- per share on Preferential basis.

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Annexure - 8

RESTATED STANDALONE STATEMENT OF RESERVES AND SURPLUS

(INR in Million)

	Particulars	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
(A) General Reserve							
	Balance as per last financial statements	242.13	227.13	212.13	197.13	177.13	157.13
	Add : Additions during the year	-	15.00	15.00	15.00	20.00	20.00
	Less : Utilised / transferred during the year	-	-	-	-	-	-
	At the end of the Year	242.13	242.13	227.13	212.13	197.13	177.13
(B) Securities Premium Reserve							
	Balance as per last financial statements	755.71	755.71	755.71	665.73	665.73	665.73
	Add : Premium on shares issued during the year	-	-	-	89.98	-	-
	Less : Utilised during the year	-	-	-	-	-	-
	At the end of the Year	755.71	755.71	755.71	755.71	665.73	665.73
(C) Surplus / (Deficit) in the Statement of Profit and Loss							
	Balance as per last financial statements	2,004.41	1,938.55	1,667.89	1,370.91	1,107.53	786.35
	Add : Restated Profit / (Loss) after tax	168.17	344.43	287.84	314.14	287.56	372.53
	Less: Proposed Dividend	-	(1.86)	(1.86)	(1.86)	(3.60)	(26.97)
	Less: Tax on Proposed Dividend	-	(0.38)	(0.32)	(0.30)	(0.58)	(4.38)
	Less: Impact of Carrying Value of Assets (Note 1)	-	(261.33)	-	-	-	-
	Less: Transfer to General Reserve	-	(15.00)	(15.00)	(15.00)	(20.00)	(20.00)
	At the end of the Year	2,172.58	2,004.41	1,938.55	1,667.89	1,370.91	1,107.53
	TOTAL (A+B+C)	3,170.42	3,002.25	2,921.39	2,635.73	2,233.77	1,950.39

Note :

- 1) With the applicability of Companies Act, 2013 with effect from April 1, 2014 and as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013 the carrying amount of existing assets as on April 1, 2014 of which the remaining useful life is NIL as per useful lives stated in Schedule II, the carrying amount of such assets as on April 1, 2014 has been adjusted against the opening balance of Retained Earnings.

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Annexure - 9

RESTATED STANDALONE STATEMENT OF LONG TERM BORROWINGS & SHORT TERM BORROWINGS

9A : LONG TERM BORROWINGS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Secured Loans						
(A) From Banks :						
Term Loan { refer annexure 9A(i) }	493.05	540.06	283.75	390.16	596.42	446.54
Corporate Loan { refer annexure 9A(ii) }	338.54	413.61	384.67	115.62	223.00	120.22
Vehicle Loans	-	-	2.57	4.89	3.23	2.88
(B) From Others :						
Vehicle Loans	-	-	-	0.22	1.55	-
TOTAL (A+B)	831.59	953.67	670.99	510.89	824.20	569.64

Note :

The Company has not availed any borrowings whether secured or unsecured from the promoters / group companies / subsidiaries / material associates companies at any time.

Annexure - 9 (contd.)

9A(i) : SECURED LONG TERM BORROWINGS - TERM LOAN

(INR in Million)								
S. No.	Lender	Nature of facility	Amount Sanctioned	Amount Outstanding as at September 30, 2015	Rate of Interest	Repayment Terms	Terms of Reschedulment, Prepayment, Default and Penalty	Security / Principal terms & conditions
1.	IndusInd Bank Limited	Term Loan	400.00	165.12	0.75% above IBL base rate of 10.60% therewith, present base rate 10.60% p.a.+ 0.75% = 11.35% present effective rate (present IBL rate effective from 19.10.15)	48 unequal installments starting from July 2016 (1st to 24th month) - 6.48 Million (25th to 36th month) - 9.26 Million (37th to 48th month) - 11.11 Million	(1) Maximum Total Debt / EBITDA is 3.00x for FY 16 and 2.50x for rest years. (1) Maximum Total Debt / Tangible Net Worth is 1.50x for FY 16 and 1.25x for rest years. (2) Minimum DSRA of month Interest and Principal (3) Minimum DSCR is 1.33x (4) Minimum FACR is 1.25x (5) Prepayment charges is 1.5% p.a	Primary/Collateral:- (1) First Charge on Industrial property situated at Plot No. 357-Q, Pace City II, Sector - 37, Gurgaon (2) First Hypothecation Charge on Plant & Machinery value of Rs. 1,454 lacs. (3) Second pari passu charge with other working capital lenders over entire fixed assets of company (excluding fixed assets where working capital lenders have 1st charge) Guarantee:- Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.
2	ICICI Bank Limited	Term Loan	500.00	327.93	Spread of 1.50% above I-base 9.35%, Present effective rate 10.85% p.a. (present I-base effective from 05.10.2015)	Payment in 20 quarterly unequal installment starting from June 2015. Qtr(1-4) - 4 crore Qtr(5-8) - 8 crore Qtr(9-12) - 12 crore Qtr(13-16) - 13 crore Qtr(17-20) - 13 crore	(1) Interest is payable on any default in payment of installment of principal amount as liquidated damages @ 2% p.a. (2) Minimum DSCR of 1.10 (3) TD / TNW < 1.50 for 1st yr < 1.40 for 2nd year and < 1.20 for rest of the years. (4) TD / EBITDA < 4.0 (5) Prepayment premium of 1% on amount of facility prepaid subject to giving atleast 15 days prior notice	Primary/Collateral:- (1) First pari passu charge over immovable & movable fixed assets of the company, at its Gharaunda Plant. Guarantee:- Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.

Annexure - 9 (contd.)

9A(ii) : SECURED LONG TERM BORROWINGS - CORPORATE LOAN

(INR in Million)								
S. No.	Lender	Nature of facility	Amount Sanctioned	Amount Outstanding as at September 30, 2015	Rate of Interest	Repayment Terms	Terms of Rescheduling, Prepayment, Default and Penalty	Security / Principal terms & conditions
1	IDBI Bank Limited	Corporate Loan	400.00	218.75	BBR plus 175 bps, presently BBR plus 200 bps Present BBR is 9.75% and present effective rate us 11.75% p.a. (present BBR effective from 05.10.2015)	In First year starting from 2014-15 Installment of Rs. 5 crore p.a. and after that for 4 years Rs. 8.75 crore p.a. total 60 equal monthly Installments.	(1) Interest is payable on any default in payment of installment of principal amount as liquidated damages @2% p.a. for the period of default. (2) Minimum DSCR of 1 be maintained. (3) TOL/TNW > 3 (4) (a) Prepayment premium is 1% plus applicable taxes subject to giving at least 45 days prior notice. (b) No prepayment premium, in case the rate of interest is levied on reset, is not acceptable to the Borrower. (c) Where increase in the interest rate on reset is due to rating degrade, no exemption for payment of prepayment premium.	Primary/Collateral:- (1) First pari passu charge on current assets of the company to the extent of Rs. 35 crore. (2) Exclusive Charge on specific fixed assets created out of the corporate loan to the extent of Rs. 10 crore. (3) Exclusive charge on property situated at Plot No. 27, Block No. A, Sector -9, Noida, U.P. in the name of group company Havell's Electronics Private Limited Guarantee:- (1) Corporate Guarantee of Havell's Electronic Private Limited (2) Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.
2	Kotak Mahindra Bank Limited	Corporate Loan	250.00	119.79	KMBR of 9.50% plus 1.75% , present effective rate of 11.25% p.a. (present KMBR effective from 05.10.2015)	48 equally monthly installments starting from 01.10.2014	(1) IBD (including buyer's credit + interchangeability utilized from NFB to FB) / TNW < 1.5 from FY 15 onward and IBD / EBITDA < 4.5 and DSCR > 1.1 to be monitored on half yearly basis. (2) 6 months put and call option with interest reset clause. (3) DSRA pf 3 months shoule be maintained. (4) Prepayment penalty would be 4% of the outstanding amount.	Primary/Collateral:- (1) Exclusive First charge on Land & Building and Plant & Machinery situated at 76 -B, Sector -57, Phase IV, Industrial Estate, Kundli, Haryana. Guarantee:- (1) Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.

HPL ELECTRIC & POWER LIMITED
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Annexure - 9 (contd.)

9B : SHORT TERM BORROWINGS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Loans Repayable on Demand :						
From Banks						
Working Capital Facility from Bank- { refer annexure 9B(i) & note (i) & (ii) }	4,248.19	3,498.68	3,155.84	2,770.06	2,230.70	1,298.01
Commercial Paper (Unsecured) - {refer note (iii) & (iv) }	700.00	400.00	-	-	-	-
Total Short Term Borrowings	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01

Note :

i) Working Capital Loans from Consortium Banks availed by the Company is secured by :

Primary :-

Pari passu 1st charge on entire current assets of the Company including receivables, both present and future, with other member banks including Corporate Loan lender (IDBI Bank Limited) to the extent of Rs. 35 Crores for shoring of NWC.

Collateral :-

(1) First charge on pari passu basis with other working capital lenders over Company's fixed assets (excluding fixed assets financed by term lenders), both present and future at the Company's under noted Units :

- Plot no. 132 (rented), 133(owned), Pace City-I, Sector 37, Gurgaon, Haryana (L&B and P&M).
- Plot No. 357-Q, Pace City –II. Sector -37, Gurgaon, Haryana (P&M) - Owned
- Vill : Bastara, Tehsil : Gharaunda, Distt. Karnal, Haryana (P&M) - Owned
- Vill & PO : Bigan, Tehsil : Gannaur, Dhaturi Road, Sonapat, Haryana (L&B and P&M) – Owned.
- Plot No. 76-B, Sector – 57, Phase IV, Kundli Industrail Estate, Sonapat, Haryana (P&M) – Owned.
- All other fixed assets of the Company (over which term lenders do not hold any charge) –Owned.

The above pari-passu 1st charge includes equitable mortgage of Land & Building located at Plot No. 133, , Sector -37, Gurgaon, Haryana measuring 1000 sq. meters and Land & Building located at Vill & P.O. : Bigan, Tehsil : Ghannaur, Dhaturi Road, Sonapat, Haryana and first pari-passu charge on Plant & Machinery (excluding fixed assets financed by term lenders) at the above mentioned units (a to e).

(2) Second Charge on pari-passu basis with other working capital lenders over entire fixed assets of Company (excluding fixed assets of under Pint No. 1 above where woring capital lenders have 1st charge)

Personal Guarantee

Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth and Shri Gautam Seth

ii) Terms of Repayment of Working Capital Loans from Consortium Banks

Such Cash Credit /Working Capital Demand Loan are Sanctioned for a period of one year and renewal on yearly basis and carries rate of interest based on respective Bank's Base Rate.

iii) The Company had issued comercial paper amounting Rs. 40.00 cr during the financial year 2014-15 which was subscribed by HDFC bank Ltd. at discounted yeild of 9.80% p.a. The comercial paper was issued for 180 days with maturity on 21st September, 2015.

iv) The Company had issued comercial papers amounting Rs. 40 cr & Rs. 30cr during the financial year 2015-16 which were subscribed by HDFC bank Ltd. at discounted yeild of 9.45% & 9.80% p.a. respectively. The comercial papers were issued for 90 days & 180 days maturity respectively.

v) The Company has not availed any borrowings whether secured or unsecured from the promoters / group companies / subsidiaries / material associates companies at any time.

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Annexure - 9 (contd.)

9B (i): SECURED SHORT TERM BORROWINGS

Sr No.	Name of the Consortium member Bank	Amount Sanctioned	Amount Outstanding as at September 30, 2015			Rate of Interest		Remarks
			Cash Credit	Working Capital Demand Loan	Total	On Cash Credit (Oct.15 onwards)	Working Capital Demand Loan	
1	STATE BANK OF INDIA	Fund Based - 900 Non Fund Based -1400 Maximum under all Facilities :- 2300 Interchangeability - 50% from FB to NFB and 20% NFB to FB.	1,163.32	-	1,163.32	Base Rate + 1.50% = 10.80% p.a.		
2	IDBI BANK LIMITED	Fund Based - 250 Non Fund Based - 1100 Maximum under all Facilities :- 1350 Interchangeability - 50% from FB to NFB and 20% from NFB to FB.	425.80	-	425.80	Base Rate + 2.25% = 12.00% p.a.		
3	STATE BANK OF BIKANER & JAIPUR	Fund Based - 390 Non Fund Based - 260 under all Facilities :- 650	-	302.88	302.88		11.75% p.a.	
4	INDUSIND BANK LIMITED	Fund Based - 300 Non Fund Based - 100	48.17	250.00	298.17	Base Rate + 2.00% = 12.60% p.a.	11.75% p.a.	
5	DBS BANK LTD.	Fund Based - 200 Non Fund Based - 250 Interchangeability upto 450 both way	34.49	250.00	284.49	Base Rate + 2.80% = 12.00% p.a.	10.50% to 10.55% p.a.	Working Capital Demand Loan has been Drawn down in 8 tranches at following rates: 1st draw down of Rs. 40 Million @ 10.55% p.a. & 2nd to 8th draw down of Rs. 30 Million each @ 10.50% p.a.
6	HDFC BANK LTD.	Fund Based - 220 Non Fund Based - 50 under all Facilities :- 270 100% NFB interchabale with FB.	50.41	220.00	270.41	Base Rate + 2.25% = 11.55% p.a	11.90% p.a.	
7	CTBC BANK CO. LTD.	Fund Based - 250 Non Fund Based - 50 under all Facilities :- 300	-	250.00	250.00		11.75% p.a.	

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Annexure - 9 (contd.)

Sr No.	Name of the Consortium member Bank	Amount Sanctioned	Amount Outstanding as at September 30, 2015			Rate of Interest		Remarks
			Cash Credit	Working Capital Demand Loan	Total	On Cash Credit (Oct.15 onwards)	On Working Capital Demand	
8	STATE BANK OF MYSORE	Fund Based - 200 Non Fund Based - 160 Maximum under all Facilities :- 360 Interchangeability:- 50% from FB to NFB and 20% from NFB to FB.	29.10	200.00	229.10	Base Rate + 1.00% = 10.65% p.a	11.00% p.a.	
9	ORIENTAL BANK OF COMMERCE	Fund Based - 200 Non Fund Based - 600 Maximum under all Facilities :- 800 Interchangeability - upto 100 Million for both way	205.39	-	205.39	Base Rate + 1.75% = 11.45% p.a.		
10	KARNATAKA BANK LTD.	Fund Based - 200	199.80	-	199.80	Base Rate + 1.25% = 11.50% p.a.		
11	CANARA BANK	Fund Based - 200 Non Fund Based - 50 Maximum under all Facilities :- 250	199.35	-	199.35	Base Rate + 2.75% = 12.40% p.a		
12	THE RATNAKAR BANK LTD.	Fund Based - 160 Maximum under all Facilities :- 160	-	160.33	160.33		12.25% p.a.	
13	STATE BANK OF PATIALA	Fund Based - 250 Non Fund Based - 560 Maximum under all Facilities :- 810 Interchangeability - 50% from FB to NFB and 20% NFB to FB;	122.13	-	122.13	Base Rate + 2.75% = 12.40% p.a.		
14	THE BANK OF NOVA SCOTIA	Fund Based - 350 Non Fund Based - 350 Maximum under all Facilities :- 350	8.96	110.00	118.96	Base Rate + 2.85% = 11.50% p.a.	11.50% p.a.	
15	AXIS BANK LIMITED	Fund Based - 100 Non Fund Based - 330 Maximum under all Facilities :- 430	18.06	-	18.06	Base Rate + 2.75% = 12.25% p.a.		
16	ICICI BANK LIMITED	Non Fund Based - 90	-	-	-			

(INR in Million)

HPL ELECTRIC & POWER LIMITED
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Annexure - 10

RESTATED STANDALONE STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A : Opening Balance of Deferred Tax Liabilities (Net)	185.28	160.17	133.81	106.60	70.51	59.57
B : Deferred Tax Liabilities						
Difference between Book Depreciation and Tax Depreciation	14.82	36.10	28.87	30.58	39.33	14.35
Leave encashment	0.47	-	1.16	-	-	-
Provision for Warranty	0.44	-	-	-	-	-
	15.73	36.10	30.03	30.58	39.33	14.35
C : Deferred Tax Assets						
Gratuity	0.46	0.73	0.63	0.51	1.94	0.43
Leave encashment	-	1.86	-	1.22	0.82	1.26
Bonus	-	0.03	0.03	0.07	0.18	0.06
Provision for Doubtful debts	2.88	8.11	-	-	-	-
Provision for Warranty	-	0.26	3.01	1.57	0.30	1.66
	3.34	10.99	3.67	3.37	3.24	3.41
Closing Deferred Tax Liabilities (Net) (A+B-C)	197.67	185.28	160.17	133.81	106.60	70.51

HPL ELECTRIC & POWER LIMITED
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Annexure - 11

RESTATED STANDALONE STATEMENT OF OTHER LONG TERM LIABILITIES & LONG TERM PROVISIONS

11A : OTHER LONG TERM LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Trade/ Security Deposits Received	182.31	172.17	165.79	155.65	76.72	58.45
TOTAL	182.31	172.17	165.79	155.65	76.72	58.45

11B : LONG TERM PROVISIONS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Provisions for Employee Benefits:						
Provision for Gratuity	26.74	15.97	13.47	11.55	11.89	5.44
TOTAL	26.74	15.97	13.47	11.55	11.89	5.44

Annexure - 12

RESTATED STANDALONE STATEMENT OF TRADE PAYABLES, OTHER CURRENT LIABILITIES & SHORT TERM PROVISIONS

12A : TRADE PAYABLES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Covered under Micro, Small and Medium Enterprises Development Act, 2006	333.24	201.70	77.06	57.07	57.92	26.53
Other payables	2,502.66	2,233.66	1,857.94	2,008.69	1,411.78	998.14
TOTAL	2,835.90	2,435.36	1,935.00	2,065.76	1,469.70	1,024.67

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Annexure - 12 (contd.)

12B: OTHER CURRENT LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Current Maturities of Long Term Debt	238.90	292.02	414.69	389.66	334.60	291.03
Expenses Payable	213.75	77.41	57.43	43.25	63.88	28.53
TDS Payable	9.21	12.69	17.92	10.22	11.48	9.87
Service Tax Payable	7.09	1.00	1.73	1.48	0.01	0.07
VAT Payable	53.08	18.37	12.54	10.06	7.49	6.10
Contribution to PF/ESI	4.65	2.23	1.88	1.69	1.49	1.27
TOTAL	526.68	403.72	506.19	456.36	418.95	336.87

12C: SHORT TERM PROVISIONS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Provisions for Employee Benefits:						
Provision for Gratuity	3.32	2.46	2.34	1.79	-	-
Provision for Leave Encashment	21.44	20.10	11.30	20.61	11.60	8.85
Other Provisions :						
Proposed for Equity Dividend	1.86	1.86	1.86	1.86	3.60	26.97
Provision for Tax on Proposed Dividend	0.38	0.38	0.32	0.30	0.58	4.38
Provision for Warranties	46.21	47.68	46.80	36.77	31.54	30.54
Provision for Income Tax	47.87	92.00	79.82	84.22	78.39	95.98
TOTAL	121.08	164.48	142.44	145.55	125.71	166.72

HPL ELECTRIC & POWER LIMITED
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Annexure - 13

RESTATED STANDALONE STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the Six months ended 30.09.2015

(INR in Million)

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2015	Additions	Adjust	Set off from Retained Earning	As at 30.09.2015	As at 01.04.2015	For the Year	Adjust	Upto 30.09.2015	As on 30.09.2015	As on 31.03.2015
(A) TANGIBLE ASSETS :											
Freehold Land	536.18	-	-	-	536.18	-	-	-	-	536.18	536.18
Building	1,062.49	7.62	-	-	1,070.11	78.00	16.86	-	94.86	975.25	984.49
Plant & Machinery	1,904.68	357.62	0.02	-	2,262.28	473.15	64.83	-	537.98	1,724.30	1,431.53
Furniture & Fixtures	53.62	1.54	-	-	55.16	23.79	2.49	-	26.28	28.88	29.83
Office Equipments	111.14	3.55	(0.02)	-	114.71	53.21	2.43	-	55.64	59.07	57.93
Vehicles	46.85	-	-	-	46.85	18.86	3.06	-	21.92	24.93	27.99
Total	3,714.96	370.33	-	-	4,085.29	647.01	89.67	-	736.68	3,348.61	3,067.95
(B) INTANGIBLE ASSETS :											
Software	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
Total	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
(C) CAPITAL WORK IN PROGRESS :											
Machinery	-	12.99	-	-	12.99	-	-	-	-	12.99	-
Building	-	-	-	-	-	-	-	-	-	-	-
Total	-	12.99	-	-	12.99	-	-	-	-	12.99	-

For the Year ended 31.03.2015

(INR in Million)

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2014	Additions	Adjust	Set off from Retained Earning	As at 31.03.2015	As at 01.04.2014	For the Year	Adjust	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
(A) TANGIBLE ASSETS :											
Freehold Land	536.18	-	-	-	536.18	-	-	-	-	536.18	536.18
Building	721.42	349.54	-	8.47	1,062.49	52.30	25.70	-	78.00	984.49	669.12
Plant & Machinery	1,796.71	357.45	0.20	249.28	1,904.68	351.68	121.67	0.20	473.15	1,431.53	1,445.03
Furniture & Fixtures	45.33	8.68	0.01	0.38	53.62	19.16	4.64	0.01	23.79	29.83	26.17
Office Equipments	111.44	2.88	0.01	3.17	111.14	49.44	3.78	0.01	53.21	57.93	62.00
Vehicles	46.92	2.55	2.59	0.03	46.85	14.14	6.23	1.51	18.86	27.99	32.78
Total	3,258.00	721.10	2.81	261.33	3,714.96	486.72	162.02	1.73	647.01	3,067.95	2,771.28
(B) INTANGIBLE ASSETS :											
Software	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
Total	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
(C) CAPITAL WORK IN PROGRESS :											
Machinery	10.11	-	10.11	-	-	-	-	-	-	-	10.11
Building	280.23	-	280.23	-	-	-	-	-	-	-	280.23
Total	290.34	-	290.34	-	-	-	-	-	-	-	290.34

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Annexure - 13 (contd.)

RESTATED STANDALONE STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the Year ended 31.03.2014

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions	Adjust	As at 31.03.2014	As at 01.04.2013	For the Year	Adjust	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	419.45	301.97	-	721.42	35.84	16.46	-	52.30	669.12	383.61
Plant & Machinery	1,339.77	457.04	0.10	1,796.71	243.75	107.97	0.04	351.68	1,445.03	1,096.02
Furniture & Fixtures	41.34	3.99	-	45.33	16.69	2.47	-	19.16	26.17	24.65
Office Equipments	105.29	6.15	-	111.44	48.81	0.63	-	49.44	62.00	56.48
Vehicles	46.58	7.30	6.96	46.92	13.50	4.15	3.51	14.14	32.78	33.08
Total	2,488.61	776.45	7.06	3,258.00	358.59	131.68	3.55	486.72	2,771.28	2,130.02
(B) INTANGIBLE ASSETS :										
Software	12.82	-	-	12.82	11.62	1.20	-	12.82	-	1.20
Total	12.82	-	-	12.82	11.62	1.20	-	12.82	-	1.20
(C) CAPITAL WORK IN PROGRESS :										
Machinery	29.68	89.74	109.31	10.11	-	-	-	-	10.11	29.68
Building	497.46	315.25	532.48	280.23	-	-	-	-	280.23	497.46
Total	527.14	404.99	641.79	290.34	-	-	-	-	290.34	527.14

For the Year ended 31.03.2013

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Additions	Adjust	As at 31.03.2013	As at 01.04.2012	For the Year	Adjust	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	170.53	248.92	-	419.45	29.42	6.42	-	35.84	383.61	141.11
Plant & Machinery	1,112.12	228.31	0.66	1,339.77	154.40	89.46	0.11	243.75	1,096.02	957.72
Furniture & Fixtures	36.53	4.81	-	41.34	11.67	5.02	-	16.69	24.65	24.86
Office Equipments	94.31	10.98	-	105.29	41.03	7.78	-	48.81	56.48	53.28
Vehicles	43.54	4.24	1.20	46.58	10.07	3.99	0.56	13.50	33.08	33.47
Total	1,993.21	497.26	1.86	2,488.61	246.59	112.67	0.67	358.59	2,130.02	1,746.62
(B) INTANGIBLE ASSETS :										
Software	10.80	2.02	-	12.82	10.80	0.82	-	11.62	1.20	-
Total	10.80	2.02	-	12.82	10.80	0.82	-	11.62	1.20	-
(C) CAPITAL WORK IN PROGRESS :										
Machinery	16.45	15.86	2.63	29.68	-	-	-	-	29.68	16.45
Building	640.94	0.71	144.19	497.46	-	-	-	-	497.46	640.94
Total	657.39	16.57	146.82	527.14	-	-	-	-	527.14	657.39

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 13 (contd.)

RESTATED STANDALONE STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the Year ended 31.03.2012

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions	Adjust	As at 31.03.2012	As at 01.04.2011	For the Year	Adjust	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	156.78	13.75	-	170.53	23.95	5.47	-	29.42	141.11	132.83
Plant & Machinery	615.33	499.43	2.64	1,112.12	108.48	46.80	0.88	154.40	957.72	506.85
Furniture & Fixtures	25.46	11.19	0.12	36.53	8.21	3.49	0.03	11.67	24.86	17.25
Office Equipments	78.67	15.77	0.13	94.31	33.59	7.48	0.04	41.03	53.28	45.08
Vehicles	40.17	11.50	8.13	43.54	9.69	3.70	3.32	10.07	33.47	30.48
Total	1,452.59	551.64	11.02	1,993.21	183.92	66.94	4.27	246.59	1,746.62	1,268.67
(B) INTANGIBLE ASSETS :										
Software	10.80	-	-	10.80	10.80	-	-	10.80	-	-
Total	10.80	-	-	10.80	10.80	-	-	10.80	-	-
(C) CAPITAL WORK IN PROGRESS :										
Capital Work in Progress	720.92	272.81	336.34	657.39	-	-	-	-	657.39	720.92
Total	720.92	272.81	336.34	657.39	-	-	-	-	657.39	720.92

For the Year ended 31.03.2011

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions	Adjust	As at 31.03.2011	As at 01.04.2010	For the Year	Adjust	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
(A) TANGIBLE ASSETS :										
Freehold Land	383.74	152.44	-	536.18	-	-	-	-	536.18	383.74
Building	154.84	1.94	-	156.78	18.76	5.19	-	23.95	132.83	136.08
Plant & Machinery	605.42	88.69	0.11	694.00	104.01	38.08	0.02	142.07	551.93	501.41
Furniture & Fixtures	22.50	2.96	-	25.46	6.63	1.58	-	8.21	17.25	15.87
Vehicles	30.09	10.89	0.81	40.17	7.05	2.99	0.35	9.69	30.48	23.04
Total	1,196.59	256.92	0.92	1,452.59	136.45	47.84	0.37	183.92	1,268.67	1,060.14
(B) INTANGIBLE ASSETS :										
Software	10.80	-	-	10.80	7.50	3.30	-	10.80	-	3.30
Total	10.80	-	-	10.80	7.50	3.30	-	10.80	-	3.30
(C) CAPITAL WORK IN PROGRESS :										
Capital Work in Progress	195.52	660.01	134.61	720.92	-	-	-	-	720.92	195.52
Total	195.52	660.01	134.61	720.92	-	-	-	-	720.92	195.52

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 14

RESTATED STANDALONE STATEMENT OF INVESTMENTS

Details of Non-Current Investments are as given below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Non Trade Investments (Valued at Cost)						
Investments in Equity Instruments						
Quoted Non - Trade						
South Asian Entertainment Limited (200 share of Face value Rs. 10 each)	-	0.00	0.00	0.00	0.00	0.00
TV 18 Broadcast Limited (952 shares of Face Value Rs. 2 each)	-	0.33	0.33	0.33	0.33	0.33
Network 18 Media and Investment Limited (782 shares of Face value Rs. 5 each)	-	0.28	0.28	0.28	0.28	0.28
Seamec Limited (1000 shares of Face Value Rs. 10 each)	-	0.01	0.01	0.01	0.01	0.01
Global Trust Bank Limited (3000 shares of Face Value Rs. 10 each)	-	0.04	0.04	0.04	0.04	0.04
Total	-	0.66	0.66	0.66	0.66	0.66
Unquoted Non - Trade						
Investment in Mutual Funds (SBI Horizon Debt Fund)	-	0.01	0.01	0.01	0.01	0.01
Investment in Associates :						
HPL India Limited (75000 shares of Face Value Rs. 10 each)	-	150.00	150.00	150.00	150.00	150.00
Himachal Energy Private Limited (1,50,00,000 optionally convertible debentures Face value of Rs. 10/- each)	540.00	-	-	-	-	-
Total	540.00	150.01	150.01	150.01	150.01	150.01
Aggregate Total	540.00	150.67	150.67	150.67	150.67	150.67
Additional Disclosure :						
Aggregate Amount of Quoted Investment	-	0.66	0.66	0.66	0.66	0.66
Market Value of Quoted Investment	-	0.16	0.18	0.11	0.15	0.30
Aggregate Amount of Unquoted Investment	-	150.01	150.01	150.01	150.01	150.01

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 15

RESTATED STANDALONE STATEMENT OF LONG TERM LOANS AND ADVANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Security Deposits (considered good)	18.02	13.60	14.86	7.88	10.65	10.26
Capital Advances to associate companies	130.84	-	-	-	-	-
Capital Advances to others	-	-	-	3.56	3.27	4.69
Total	148.86	13.60	14.86	11.44	13.92	14.95

Annexure - 16

RESTATED STANDALONE STATEMENT OF INVENTORIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Raw Material and components						
(i) In Hand	1,202.06	1,075.70	844.77	1,023.02	828.98	614.82
(i) Material in Transit	19.12	22.58	14.35	14.17	11.71	10.02
b. Work - In - Progress	619.17	993.63	815.10	791.81	787.52	472.20
c. Finished goods	1,014.73	966.92	859.65	777.55	476.49	281.82
d. Stores Spares & Consumables	3.00	3.11	2.67	6.08	2.69	1.83
Total	2,858.08	3,061.94	2,536.54	2,612.63	2,107.39	1,380.69

Details of Raw Materials

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Copper	19.69	56.32	27.95	36.56	44.68	6.73
Electronic Components	448.55	407.12	382.00	479.24	362.52	258.37
Engineering Plastic	177.92	123.43	96.90	81.86	111.78	111.88
Packing	34.15	34.12	27.77	35.41	30.62	12.47
Others	540.87	477.29	324.50	404.12	291.09	235.39
Total	1,221.18	1,098.28	859.12	1,037.19	840.69	624.84

Details of Work in Progress

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	333.83	577.14	442.19	499.88	424.94	242.83
Switchgear	140.72	196.44	184.33	177.21	156.56	47.86
Wires & Cables	37.20	76.65	58.70	76.01	73.45	88.55
Lighting	107.42	143.40	129.88	38.71	132.57	92.96
Total	619.17	993.63	815.10	791.81	787.52	472.20

HPL ELECTRIC & POWER LIMITED

(Formerly HPL Electric & Power Private Limited)

Annexure - 16 (contd.)**Details of Finished Goods (Manufactured)****(INR in Million)**

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	10.99	9.78	8.13	100.99	35.30	29.84
Switchgear	278.57	478.23	481.68	277.65	204.45	76.50
Wires & Cables	284.82	216.52	187.45	166.86	93.69	69.65
Lighting	440.35	262.39	182.39	232.05	143.05	105.83
Total	1,014.73	966.92	859.65	777.55	476.49	281.82

Details of Store Spares & Consumables**(INR in Million)**

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	1.51	1.56	0.97	1.86	0.74	0.21
Switchgear	0.32	0.23	0.37	1.26	0.40	0.07
Wires & Cables	0.56	0.66	0.56	1.33	0.34	0.12
Lighting	0.61	0.66	0.77	1.63	1.21	1.43
Total	3.00	3.11	2.67	6.08	2.69	1.83

Annexure - 17**RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES****(INR in Million)**

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Debts Outstanding for more than six months						
Unsecured and Considered Good	69.37	-	-	-	-	-
Unsecured and Considered Doubtful	36.64	27.03	-	-	28.76	1.64
Other Debts (Out standing for less than six months)						
Unsecured and Considered Good	4,992.94	4,009.79	3,281.62	2,680.98	2,140.12	1,443.34
	5,098.95	4,036.82	3,281.62	2,680.98	2,168.88	1,444.98
Less : Provision for Doubtful Debts	36.64	27.03	-	-	-	-
Total	5,062.31	4,009.79	3,281.62	2,680.98	2,168.88	1,444.98

Details of dues from the related parties are as given below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Associate companies						
Himachal Energy Private Limited	363.00	138.95	219.36	112.09	151.57	475.45
HPL India Limited	347.32	125.86	95.93	68.98	(122.39)	0.01
Total	710.32	264.81	315.29	181.07	29.18	475.46

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 18

RESTATED STANDALONE STATEMENT OF CASH AND BANK BALANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Cash and Cash Equivalents :-						
Cash in Hand	28.54	22.26	18.67	2.85	1.56	0.84
Balances with Scheduled Banks:						
In Current Accounts	38.71	66.70	37.94	51.58	30.10	74.03
Other Bank balances :-						
Balance with Banks held as margin money with maturity of more than 3 months but less than 12 months	466.82	455.22	407.39	469.80	440.37	222.49
Total cash and bank balances	534.07	544.18	464.00	524.23	472.03	297.36

Annexure - 19

RESTATED STANDALONE STATEMENT OF SHORT TERM LOANS & ADVANCES AND OTHER CURRENT ASSETS

19A: SHORT TERM LOANS & ADVANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Unsecured Considered Good						
Advance Income Tax	107.54	193.34	141.02	137.73	117.89	112.22
Prepaid Expenses	26.26	32.75	4.71	12.89	14.27	3.05
Balances with Excise Authorities	26.64	74.61	9.73	92.64	82.54	95.80
VAT Recoverable	14.54	16.16	17.73	21.42	14.14	12.33
Advance to Suppliers	176.06	117.09	70.38	92.18	10.15	80.13
Earnest Money Deposit	114.16	81.44	4.59	19.02	104.72	74.78
Advances to Joint Ventures	48.98	42.83	86.96	48.99	10.86	-
Total Short Term Loans & Advances	514.18	558.22	335.12	424.87	354.57	378.31

Details of Loans & Advances due to the related parties are as given below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
I. Joint Ventures						
HPL Electric & Power Private Limited-Trimurthi Hitech Co. Private Limited -Shriji Design (JV)	35.69	28.44	56.58	28.14	(2.52)	-
HPL Electric & Power Private Limited- Shriji Design (JV)	13.29	14.39	30.38	20.85	13.38	-

19B: OTHER CURRENT ASSETS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Unsecured Considered Good						
Duty Drawback Recoverable	0.19	0.21	1.22	0.28	0.30	0.28
Other Recoverable	2.10	5.89	5.37	5.35	3.97	0.76
Insurance Claim Recoverable	4.91	4.85	5.98	2.27	2.30	2.91
Total Other Current Assets	7.20	10.95	12.57	7.90	6.57	3.95

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure – 20

RESTATED STANDALONE STATEMENT OF REVENUE FROM OPERATIONS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	2,655.67	5,027.62	5,266.14	4,898.36	3,913.29	3,462.76
Switch gears	1,040.77	2,462.30	2,438.15	2,069.99	1,600.32	1,146.20
Lighting	1,483.83	2,589.26	1,785.33	1,626.06	1,227.70	789.78
Wires & Cables	887.81	1,492.99	1,692.70	1,407.94	1,107.77	756.45
Gross Revenue from Operations	6,068.08	11,572.17	11,182.32	10,002.35	7,849.08	6,155.19
Less : Exice Duty Paid	592.33	1,121.05	1,110.42	969.94	691.73	495.78
Net Revenue from Operations	5,475.75	10,451.12	10,071.90	9,032.41	7,157.35	5,659.41

Annexure -21

RESTATED STANDALONE STATEMENT OF OTHER INCOME

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Interest Income:	19.96	38.74	40.87	39.80	30.54	14.02
Other Non Operating Income (net of expenses directly attributable to such income)	2.72	8.46	10.00	3.23	0.66	1.60
Total Other Income	22.68	47.20	50.87	43.03	31.20	15.62

Annexure - 22

RESTATED STANDALONE STATEMENT OF CONSUMPTION OF RAW MATERIAL & OTHER COMPONENTS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Raw Material Consumption						
Indigenous	2,185.20	5,023.82	4,816.91	4,422.74	3,648.66	2,692.38
Imported	1,220.18	2,407.36	2,473.72	2,314.25	1,851.38	1,444.60
Total	3,405.38	7,431.18	7,290.63	6,736.99	5,500.04	4,136.98

Details of Raw Materials Consumed

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Copper	644.94	1,163.07	1,340.53	1,158.77	845.16	546.03
Electronic Components	1,810.45	3,126.22	3,266.42	3,029.75	2,765.50	2,003.82
Engineering Plastic	339.71	799.44	751.72	703.83	680.96	553.59
Packing	106.42	211.36	197.23	188.95	150.54	62.72
Others	503.86	2,131.09	1,734.73	1,655.69	1,057.88	970.82
Total	3,405.38	7,431.18	7,290.63	6,736.99	5,500.04	4,136.98

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 23

RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A : Inventories (at Close)						
Finished Goods	1,014.73	966.92	859.65	777.55	476.49	281.82
Work in Progress	619.17	993.63	815.10	791.81	787.52	472.20
Total	1,633.90	1,960.55	1,674.75	1,569.36	1,264.01	754.02
B : Inventories (at Opening)						
Finished Goods	966.92	859.65	777.55	476.49	281.82	232.21
Work in Progress	993.63	815.10	791.81	787.52	472.20	252.91
Total	1,960.55	1,674.75	1,569.36	1,264.01	754.02	485.12
Net Changes In Finished Goods & Work in Progress (B-A)	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)

Annexure - 24

RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Salaries, Wages and Bonus	378.17	614.07	508.87	465.70	417.47	308.79
Contributions to Provident and Other Funds	8.61	12.48	10.43	9.60	14.51	11.52
Staff Welfare Expenses	17.65	38.09	35.65	28.21	27.44	17.72
Total Employee Benefits	404.43	664.64	554.95	503.51	459.42	338.03

Annexure - 25

RESTATED STANDALONE STATEMENT OF FINANCE COSTS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Interest Expenses	339.13	630.55	530.31	567.35	374.27	175.88
Other Borrowing Cost- Bank Charges	38.17	68.71	60.05	49.72	38.58	34.11
Total Finance Costs	377.30	699.26	590.36	617.07	412.85	209.99

HPL ELECTRIC & POWER LIMITED
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Annexure - 26

RESTATED STANDALONE STATEMENT OF DEPRECIATION EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Depreciation on Tangible Assets	89.67	162.02	131.68	112.67	66.94	47.84
Depreciation on Intangible Assets	-	-	1.20	0.82	-	3.30
Total	89.67	162.02	132.88	113.49	66.94	51.14

Annexure - 27

RESTATED STANDALONE STATEMENT OF OTHER EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Consumption of Stores & Spare Parts	1.84	4.44	5.19	3.66	4.51	7.09
Power & Fuel	75.17	120.84	131.46	103.63	84.07	62.85
Rent	17.27	30.87	19.69	21.28	30.25	38.26
Repairs to Buildings	1.29	5.23	2.59	3.15	3.12	0.82
Repairs To Machinery	10.97	14.84	13.92	8.33	7.64	4.54
Research & development expenses	33.03	61.29	67.37	60.03	36.84	26.47
Meter Installation Expenses	16.72	14.79	46.59	28.24	1.49	0.98
Testing Expenses	25.17	21.60	21.66	14.05	20.21	17.02
Rates & Taxes excluding taxes on Income	2.06	12.16	28.90	24.24	6.66	7.18
Legal and Professional Fees	10.92	19.44	20.09	13.76	13.47	16.83
Travelling & Conveyance	62.05	113.51	120.87	102.23	77.27	40.93
Communication Expenses	6.07	7.91	6.74	7.44	8.50	6.93
Printing & Stationery	3.58	6.34	4.44	4.33	4.75	4.73
Repairs and Maintenance - Others	14.21	29.73	25.75	21.86	19.78	10.87
Insurance	8.33	10.13	8.38	8.00	6.09	4.65
Membership & Subscription	0.45	1.08	0.84	1.51	4.81	0.76
Selling & Distribution Expenses	358.44	879.94	718.50	542.40	526.24	462.82
Loss on sale of Fixed Assets	-	0.12	1.47	0.67	3.61	0.28
Donation	2.58	3.34	3.22	3.01	0.13	5.06
Audit Expenses	0.25	0.40	0.40	0.48	0.55	0.10
Miscellaneous Expenses	0.31	1.33	0.47	0.45	0.87	0.43
Product Warranty Claim (refer note (iv) as per Annexure -6)	20.00	30.00	30.00	20.00	15.00	15.00
Total Other Expenses	670.71	1,389.33	1,278.54	992.75	875.86	734.60

HPL ELECTRIC & POWER LIMITED**(Formerly HPL Electric & Power Private Limited)****Annexure - 28****RESTATED STANDALONE STATEMENT OF DIVIDENDS****(INR in Million)**

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Dividend Paid	-	-	1.86	1.86	3.60	26.97
Dividend Rate	-	1%	1%	1%	2%	15%

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 29

RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

I. Earning Per Share

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Restated Earnings attributable to equity shareholders (INR in Million)	168.17	344.43	287.84	314.14	287.56	372.53
B	Weighted Average No. of Equity Shares (Basic) (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
C	Weighted Average No. of Equity Shares (Diluted) (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
D	Earning Per Share - Basic (Post-bonus issue) (A/B)	3.62	7.42	6.20	6.81	6.40	8.48
E	Earning Per Share-Diluted (Post-bonus issue) (A/C)	3.62	7.42	6.20	6.81	6.40	8.48
F	Weighted Average No. of Equity Shares (Basic) (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
G	Weighted Average No. of Equity Shares (Diluted) (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
H	Earning Per Share - Basic (Pre-bonus issue) (A/F)	9.06	18.55	15.50	17.16	15.99	21.94
I.	Earning Per Share-Diluted (Pre-bonus issue) (A/G)	9.06	18.55	15.50	17.16	15.99	21.94

* The earning considered in ascertaining the Company's Earning Per Share (EPS) comprise of Net Profit After Tax.

II. Return on Net worth (%)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Restated Profits after tax (INR in Million)	168.17	344.43	287.84	314.14	287.56	372.53
B	Net Worth	3,356.14	3,187.97	3,107.11	2,821.45	2,413.57	2,130.19
C	Return on Net Worth (%) (A/B)	5.01%	10.80%	9.26%	11.13%	11.91%	17.49%

III. Net Asset Value per Share

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Worth (INR in Million)	3,356.14	3,187.97	3,107.11	2,821.45	2,413.57	2,130.19
B	No. of Equity Shares outstanding at the end of the period / year (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,429,199	44,949,199	44,949,199
C	Net Asset Value per share (Post-bonus issue) (A/B)	72.29	68.66	66.92	60.77	53.70	47.39
D	No. of Equity Shares outstanding at the end of the period / year (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,571,679	17,979,679	17,979,679
E	Net Asset Value per share (Pre-bonus issue) (A/D)	180.71	171.66	167.30	151.92	134.24	118.48

Note:

- 1 Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 29 (Cont..)

2 The above Ratios have been calculated as follows:

$$(a) \text{ Earnings per Share (INR)} = \frac{\text{Net Profit after tax (as restated) attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the period / year}}$$

$$(b) \text{ Return on Net Worth (\%)} = \frac{\text{Net Profit after tax (as restated) attributable to equity shareholders}}{\text{Net worth at the end of the period / years excluding revaluation reserve}}$$

$$(c) \text{ Net Asset Value Per Share (INR)} = \frac{\text{Net worth at the end of the year/period excluding revaluation reserve}}{\text{Total Number of equity shares outstanding at the end of the period/years}}$$

3 Net worth has arrived by aggregating Equity Share Capital plus Reserves and Surplus (excluding revaluation reserve if any) less Miscellaneous Expenditure to the extent not written off.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 30

RESTATED STANDALONE CAPITALISATION STATEMENT

(INR in Million)

S. No.	Particulars	Pre-Issue as at September 30, 2015	Post-Issue *
	Borrowings:		
(a)	Long Term Debt	1,070.49	[.]
(b)	Short Term Debt	4,948.19	[.]
(c)	Total Debt	6,018.68	
	Shareholders' Funds:		
	Equity Share Capital	185.72	[.]
	Reserves and Surplus	3,170.42	[.]
(d)	Total Shareholders' Funds / Equity	3,356.14	
	Long-Term Debt / Equity (a / d)	0.32	[.]
	Total Debt / Equity (c / d)	1.79	[.]

Note :

- The above ratios has been computed on the basis of the Restated Standalone Summary Statement of Assets & Liabilities as of 30th September, 2015 on standalone basis.
- The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.
- Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015. The impact of this has not been considered in the above capitalisation statement.

HPL ELECTRIC & POWER LIMITED
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Annexure - 31

RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS

Information regarding parties & transactions, if any, with them as per AS-18 as notified in Section 133 of Companies Act, 2013 read with Companies (accounts) rule, 2014 are as given below :

A. Name of Related Parties and their description of Relationship in the respective years are as given below :

Nature of Relationship	Name of Related Parties				
	Year ended				
	Six months ended 30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012
KEY MANAGEMENT PERSONNEL	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth
	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth
	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth
	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain
RELATIVE OF KEY MANAGEMENT PERSONNEL	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth
	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth
	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth
	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited
ASSOCIATES	HPL India Limited	HPL India Limited	HPL India Limited	HPL India Limited	HPL India Limited
	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited
	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited
	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited
	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited
	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited
	Amerex Private Limited	Amerex Private Limited	Amerex Private Limited	Amerex Private Limited	Amerex Private Limited
	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited
	HPL Projects Portfolio Private Limited	HPL Projects Portfolio Private Limited	HPL Projects Portfolio Private Limited	HPL Projects Portfolio Private Limited	HPL Projects Portfolio Private Limited
	HPL Electric & Power Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Shriji Design (JV)
JOINT VENTURES	HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Design (JV)	HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Design (JV)

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Annexure - 31 (contd.)

B. Summary of Transactions with the above states Related Parties in the respective years are as given below :

(INR in Million)

S. No.	Name of Transactions	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	PURCHASE OF GOODS						
a)	Associates Companies						
	Himachal Energy Private Limited	-	1.65	8.84	1.64	136.01	130.33
	HPL India Limited	-	-	-	4.40	154.14	1.79
2	SALE OF GOODS						
a)	Associates Companies						
	Himachal Energy Private Limited	127.01	470.14	342.35	298.67	247.08	551.20
	Amerex Private Limited	1.08	-	-	-	-	-
	HPL India Limited	0.12	3.41	-	22.30	96.45	33.48
3	RECEIVING OF SERVICES						
a)	Associates Companies						
	HPL India Limited	180.00	480.00	444.00	341.00	341.00	337.00
4	PURCHASE OF FIXED ASSETS						
a)	Associates Companies						
	Havell's Electronics Private Limited	-	34.40	-	-	-	-
	Himachal Energy Private Limited	117.78	-	-	-	-	-
5	SALE OF ASSETS AT BOOK VALUE						
a)	Associates Companies						
	Himachal Energy Private Limited	850.67	-	-	-	-	-
6	ASIGNMENT OF RECEIVABLES GIVEN AT BOOK VALUE	-	-	-	-	-	-
a)	Associates Companies						
	HPL India Limited	347.20	-	-	-	-	-
7	SALE OF INVESTMENTS AT BOOK VALUE						
a)	Associates Companies						
	Himachal Energy Private Limited	150.00	-	-	-	-	-
8	LONG TERM ADVANCES PAID FOR SUPPLY OF DESIGN						
a)	Associates Companies						
	HPL India Limited	130.84	-	-	-	-	-
9	DIRECTOR'S REMUNARATION PAID						
a)	Key Managerial Persons						
	Mr. Lalit Seth	18.04	36.09	37.59	37.59	37.82	37.78
	Mr. Rishi Seth	7.54	15.09	15.72	15.72	15.81	15.77
	Mr. Gautam Seth	7.54	15.09	15.72	15.72	15.81	15.77
	Mr. C.P. Jain	6.37	10.95	9.85	9.27	8.16	7.03

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 31 (contd.)

(INR in Million)

S. No.	Name of Transactions	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
10	RENT PAID						
a)	Key Managerial Persons						
	Mr. Lalit Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mr. Rishi Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mr. Gautam Seth	1.80	3.60	3.60	3.62	3.00	3.00
b)	Relatives of Key Managerial Persons						
	Mrs. Praveen Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mrs. Pooja Seth	0.30	0.60	0.60	0.62	-	-
	Mrs. Vani Seth	0.30	0.60	0.60	0.62	-	-

C. Summary of Outstanding Balances with the above states Related Parties for the respective years are as given below :

(INR in Million)

S. No.	Name of Transactions	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	LONG TERM ADVANCES						
a)	Associates Companies						
	1. HPL India Limited	130.84	-	-	-	-	-
2	SHORT TERM ADVANCES						
a)	Joint Ventures						
	HPL Electric & Power Private Limited-Trimurthi Hitech Co. Private Limited-Shriji Design (JV)	35.69	28.44	56.58	28.14	(2.52)	-
	HPL Electric & Power Private Limited - Shriji Design (JV)	13.29	14.39	30.38	20.85	13.38	-
3	NON CURRENT INVESTMENT						
a)	Associates Companies						
	1. HPL India Limited	-	150.00	150.00	150.00	150.00	150.00
	2. Himachal Energy Private Limited	540.00	-	-	-	-	-
4	TRADE RECEIVABLES						
a)	Associates Companies						
	1. Himachal Energy Private Limited	363.00	138.95	219.36	112.09	151.57	475.45
	2. HPL India Limited	347.32	125.86	95.93	68.98	(122.39)	0.01

HPL ELECTRIC & POWER LIMITED
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Annexure - 32

RESTATED STANDALONE STATEMENT OF SEGMENTAL REPORTING DISCLOSURE

The segment reporting of the Company has been prepared in accordance with the Accounting Standard (AS-17), as issued by The Institute of Chartered Accountant of India. The Company has identified Business Segment as its Primary Segment and Geographic Segment as its Secondary Segment. The Company has identified four reportable segments for its Primary Segment on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems and two reportable Segment for its Geographical Segment. These are Metering, Switchgears, Lighting and Wires & Cables for Primary Segment and Domestic Market and Overseas Market for Geographical Segment for the six months period ended 30th September 2015, and financial years ended as on 31st March 2015, 2014, 2013, 2012 and 2011.

Revenue and Expenses have been identified to a Segment is on the basis of relationship to operating activities of the Segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a Segment on reasonable basis have been disclosed as "Unallocated". Segment Assets and Liabilities represents respective Assets & Liabilities for each reportable Segment. Investment, Tax Related Assets and Other Assets and Similar Liabilities which cannot be allocated to a reportable Segment on reasonable basis have been disclosed as "Unallocated". The analysis of Geographical Segment is based on geographical location of the Customers.

Details of transactions as per the requirement of Segmental Reporting Disclosure are as given below :

(INR in Million)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	PRIMARY BUSINESS SEGMENT						
(a)	Segment Revenue (Gross)						
	Metering	2,655.67	5,027.62	5,266.14	4,898.36	3,913.29	3,462.76
	Switchgear	1,040.77	2,462.30	2,438.15	2,069.99	1,600.32	1,146.20
	Lighting	1,483.83	2,589.26	1,785.33	1,626.06	1,227.70	789.78
	Wires & Cables	887.81	1,492.99	1,692.70	1,407.94	1,107.77	756.45
	Total	6,068.08	11,572.17	11,182.32	10,002.35	7,849.08	6,155.19
(b)	Results (Net)						
	Metering	430.52	715.53	782.33	898.11	772.99	852.59
	Switchgear	197.03	467.98	564.34	504.20	383.57	285.28
	Lighting	284.30	504.13	216.73	199.24	163.42	97.43
	Wires & Cables	46.37	83.37	80.79	68.10	53.02	24.59
	Sub Total	958.22	1,771.01	1,644.19	1,669.65	1,373.00	1,259.89
	Less : Unallocated expenses net of Income	356.63	634.06	673.03	635.60	576.72	576.71
	Operating profit	601.59	1,136.95	971.16	1,034.05	796.28	683.18
	Less : Interest Expenses	377.30	699.26	590.36	617.07	412.85	209.99
	Profit before tax	224.29	437.69	380.80	416.98	383.43	473.19
	Less : Tax Expenses	56.12	93.26	92.96	102.84	95.87	100.66
	Profit after Tax	168.17	344.43	287.84	314.14	287.56	372.53
(c)	Other Information						
(i)	Capital Expenditure						
	Metering	284.28	205.27	148.98	237.34	163.11	19.97
	Switchgear	87.38	216.95	208.94	119.88	120.03	8.32
	Lighting	5.19	3.17	5.62	6.91	9.29	12.15
	Wires & Cables	6.48	5.36	175.69	4.09	2.35	12.42
	Unallocated	-	-	0.42	0.81	193.33	484.17
	Total	383.33	430.75	539.65	369.03	488.11	537.03
(ii)	Depreciation						
	Metering	41.37	80.21	86.13	73.62	27.83	22.70
	Switchgear	26.69	47.19	22.42	15.82	15.36	7.77
	Lighting	11.60	23.17	18.54	18.42	18.18	15.67
	Wires & Cables	10.01	11.45	5.79	5.63	5.57	5.00
	Total	89.67	162.02	132.88	113.49	66.94	51.14

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 32 (contd.)

(INR in Million)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
(iii)	Segment Assets						
	Metering	5,822.60	4,977.11	4,355.68	3,946.57	3,378.25	2,608.87
	Switchgear	2,813.42	2,592.71	2,544.94	2,389.33	1,909.25	1,196.65
	Lighting	2,460.80	2,347.20	1,473.74	1,552.20	1,521.63	1,069.82
	Wires & Cables	1,281.94	1,156.29	1,190.94	894.55	600.34	522.27
	Unallocated	647.54	343.99	291.70	288.43	268.57	262.89
	Total	13,026.30	11,417.30	9,857.00	9,071.08	7,678.04	5,660.50
(iv)	Segment Liabilities						
	Metering	1,960.81	1,286.27	1,084.54	1,336.75	1,217.60	575.01
	Switchgear	626.36	775.83	592.60	572.42	462.17	215.49
	Lighting	270.94	243.48	160.52	240.90	229.21	132.63
	Wires & Cables	369.81	285.19	218.12	176.31	111.24	24.95
	Unallocated	6,442.24	5,638.56	4,694.11	3,923.25	3,244.25	2,582.23
	Total	9,670.16	8,229.33	6,749.89	6,249.63	5,264.47	3,530.31
2	SECONADRY GEOGRAPHICAL SEGMENT						
(a)	Segment Revenue						
	Domestic Market	5,982.12	11,269.20	10,887.63	9,778.64	7,834.70	6,095.69
	Overseas Market	85.96	302.97	294.69	223.71	14.38	59.50
	Total	6,068.08	11,572.17	11,182.32	10,002.35	7,849.08	6,155.19

HPL ELECTRIC & POWER LIMITED
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Annexure - 33

RESTATED STANDALONE STATEMENT OF TAX SHELTER

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Effective Tax Rate	34.61%	33.99%	33.99%	32.445%	32.445%	33.2175%
Restated Profit before Tax	224.29	437.69	380.80	416.98	383.43	473.19
Notional tax as per tax rate on profits (A)	77.63	148.77	129.43	135.29	124.40	157.18
Timing Differences						
Difference between Tax Depreciation and Expenses Allowed on Payment Basis -	(49.42)	(163.28)	(96.25)	(101.94)	(131.08)	(47.83)
Leave Encashment	(1.58)	6.21	(3.88)	4.06	2.75	4.19
Gratuity	1.54	2.42	2.11	1.70	6.45	1.44
Bonus	-	0.10	0.10	0.24	0.60	0.20
Provision for Doubtful debts	9.61	27.03	-	-	-	-
Provision for warranty	(1.47)	0.88	10.03	5.23	1.00	5.54
Total Timing Difference 'B'	(41.32)	(126.64)	(87.89)	(90.71)	(120.28)	(36.46)
Permanent Difference						
Donation (Net off deduction u/s 80G)	0.02	2.03	1.51	1.45	0.12	5.06
Deduction u/s. 80-IC	(25.82)	(52.95)	(47.36)	(51.82)	(42.38)	(144.74)
Deduction u/s. 35	(31.57)	(62.92)	(52.85)	(45.92)	(40.26)	(28.55)
Other Permanent Differences	0.75	2.53	1.75	0.69	3.61	0.63
Total Permanent Difference 'C'	(56.62)	(111.31)	(96.95)	(95.60)	(78.91)	(167.60)
Total Difference 'D'=B+C	(97.94)	(237.95)	(184.84)	(186.31)	(199.19)	(204.06)
Tax (Saving) 'E'=(D)*Tax Rate	(33.90)	(80.88)	(62.83)	(60.45)	(64.62)	(67.78)
Total Current Tax payable 'F' = A+E	43.73	67.89	66.60	74.84	59.78	89.40
Tax Payable under MAT us 115JB of Income Tax Act,1961 (G)	47.87	91.74	79.82	83.43	78.39	95.66
Tax payable for the year maximum of (F) or (G)	47.87	91.74	79.82	83.43	78.39	95.66
Interest under section 234B & 234C (As per income tax return & appeals)	-	0.26	-	0.79	-	0.32
Total Taxation	47.87	92.00	79.82	84.22	78.39	95.98
Current tax as per restated Statement of Profit and Loss	47.87	92.00	79.82	84.22	78.39	95.98

Note :

1) The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Standalone Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustments as given in Annexure - 6.

SAHNI MEHRA & CO.
Chartered Accountants
73, SUNDER NAGAR, NEW DELHI-110003
Telephone No.011-26142750/26142304

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013, READ WITH RULE 4 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors

HPL Electric & Power Limited

(Formerly HPL Electric & Power Private Limited)

1/21, Asaf Ali Road,
New Delhi

Dear Sirs

We have examined the attached restated consolidated financial information of HPL Electric & Power Limited ("the Company") formerly HPL Electric & Power Private Limited for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011 as approved by the Board of Directors of the Company on dated 24.12.2015, prepared by the management of the Company in terms of requirements of Section 26 of The Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the 'SEBI Regulations'), the Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note'), and in terms of our engagement agreed with you in accordance with our engagement letter dated 10.10.2015 in connection with the proposed Initial Public Offering ('IPO') of Equity Shares of the Company.

1 In accordance with the requirements of Section 26 of The Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations; the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that :

- a) The Restated Consolidated Summary Statement of Assets and Liabilities as at 30th September 2015, 31st March 2015, 2014, 2013, 2012 and 2011, examined by us, as set out in "Annexure -1" to this report read with the significant accounting policies in "Annexure - 4" and Notes to the restated consolidated financial information in "Annexure - 5" after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated consolidated financial information in "Annexure - 6" to this report.
- b) The Restated Consolidated Summary Statement of Profit and Loss of the Company for the six months period ended 30 September 2015 and the years ended 31 March 2015, 2014, 2013, 2012 and 2011 as set out in "Annexure- 2" to this report read with the significant accounting policies in "Annexure - 4" and Notes to the restated consolidated financial information in "Annexure - 5" after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated consolidated financial information in "Annexure - 6" to this report.
- c) The Restated Consolidated Summary Statement of Cash Flows of the Company for the six months period ended 30 September 2015 and the years ended 31 March 2015, 2014, 2013, 2012 and 2011 as set out in "Annexure - 3" to this report read with the significant accounting policies in "Annexure - 4" and Notes to the restated consolidated financial information in "Annexure - 5" after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the statement of material adjustments on restated consolidated financial information in "Annexure - 6" to this report.

2 Based on our examination we are of the opinion that the Restated Consolidated 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 the changed accounting policy for all the reporting years / periods based on the policies adopted by the Company as at 30th September 2015;
- ii) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and
- iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information and do not contain any qualifications requiring adjustments.

3 We have also examined the restated financial information of the Company listed below, prepared by the management and approved by the Board of Directors of the Company for the six months period ended 30 September 2015 and the years ended 31st March , 2015, 2014, 2013, 2012 and 2011:

- (i) Statement of Significant Accounting Policies, enclosed as "Annexure -4";
- (ii) Notes on Restated Consolidated Financial Information of the Company, enclosed as "Annexure- 5";
- (iii) Statement of Material Adjustments on Restated Consolidated Financial Information, enclosed as " Annexure- 6";
- (iv) Restated Consolidated Statement of Share Capital, enclosed as "Annexure -7";
- (v) Restated Consolidated Statement of Reserves and Surplus, enclosed as "Annexure -8";
- (vi) Restated Consolidated Statement of Long Term Borrowings & Short Term Borrowing, enclosed as "Annexure - 9";
- (vii) Restated Consolidated Statement of Deferred Tax Assets / Liabilities (Net), enclosed as "Annexure - 10";
- (viii) Restated Consolidated Statement of Other Long-Term Liabilities and Long-Term Provisions, enclosed as "Annexure - 11";
- (ix) Restated Consolidated Statement of Trade Payables, Other Current Liabilities & Short Term Provisions, enclosed as "Annexure-12";
- (x) Restated Consolidated Statement of Tangible / Intangible Assets and Capital Work in Progress, enclosed as "Annexure - 13";
- (xi) Restated Consolidated Statement of Investments, enclosed as "Annexure - 14";
- (xii) Restated Consolidated Statement of Long-Term Loans & Advances and Other Non-Current assets, enclosed as "Annexure-15";
- (xiii) Restated Consolidated Statement of Inventories, enclosed as "Annexure - 16";
- (xiv) Restated Consolidated Statement of Trade Receivables, enclosed as "Annexure - 17";
- (xv) Restated Consolidated Statement of Cash and Bank Balances, enclosed as "Annexure - 18";
- (xvi) Restated Consolidated Statement of Short-Term Loans and Advances and Other Current Assets, enclosed as "Annexure - 19";
- (xvii) Restated Consolidated Statement of Revenue from Operations, enclosed as "Annexure - 20";
- (xviii) Restated Consolidated Statement of Other Income, enclosed as "Annexure - 21";
- (xix) Restated Consolidated Statement of Consumption of Raw Material & Other Components, enclosed as "Annexure - 22";
- (xx) Restated Consolidated Statement of Changes in Inventories of Finished Goods & Work in Progress, enclosed as "Annexure - 23";
- (xxi) Restated Consolidated Statement of Employee Benefit Expenses, enclosed as "Annexure - 24";
- (xxii) Restated Consolidated Statement of Finance Costs, enclosed as "Annexure - 25";
- (xxiii) Restated Consolidated Statement of Depreciation Expenses, enclosed as "Annexure - 26";
- (xxiv) Restated Consolidated Statement of Other Expenses, enclosed as "Annexure - 27";
- (xxv) Restated Consolidated Statement of Dividend, enclosed as "Annexure - 28";
- (xxvi) Restated Consolidated Statement of Accounting Ratios, enclosed as "Annexure - 29";
- (xxvii) Restated Consolidated Capitalisation Statement, as appearing in "Annexure - 30";
- (xxviii) Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure 31;
- (xxix) Restated Consolidated Statement of Segmental Reporting disclosure, enclosed as "Annexure - 32"; and
- (xxx) Additional information required under Schedule III of the Companies Act, 2013, enclosed as "Annexure - 33".

4 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as an opinion on any of the Consolidated financial statements referred to herein.

5 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

6 In our opinion, the above restated consolidated summary financial information contained in Annexure 1 to Annexure 33 accompanying this report read along with the Significant Accounting Policies and Notes to Restated Consolidated Summary Financial Information (Refer Annexure 4 & 5) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

7 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Initial Public Offering (IPO) of the Company, Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

For **SAHNI MEHRA & CO.**

Chartered Accountants

(Firm Registration Number: 000609N)

(Ramesh Sahni)

(Proprietor)

Membership No. 009246

Place: New Delhi

Date: December 24, 2015

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure 1

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(INR in Million)

	Particulars	Annexure	As at					
			30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	Equity & Liabilities							
	Shareholder's Funds							
	Share Capital	7	185.72	185.72	185.72	185.72	179.80	179.80
	Reserves & Surplus	8	3,159.76	2,996.28	2,913.61	2,632.08	2,230.08	1,950.39
2	Non Current Liabilities							
	Long Term Borrowings	9A	831.59	953.67	670.99	510.89	824.20	569.64
	Deferred Tax Liabilities (Net)	10	197.67	185.28	160.17	133.81	106.60	70.51
	Other Long Term Liabilities	11A	183.81	175.12	171.07	163.78	82.84	58.45
	Long Term Provisions	11B	26.74	15.97	13.47	11.55	11.89	5.44
3	Current Liabilities							
	Short Term Borrowings	9B	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01
	Trade Payables	12A	2,839.76	2,442.36	1,940.12	2,075.01	1,472.42	1,024.67
	Other Current Liabilities	12B	526.82	403.83	506.28	458.35	419.05	336.87
	Short Term Provisions	12C	121.08	164.48	142.44	145.55	125.71	166.72
	TOTAL		13,021.14	11,421.39	9,859.71	9,086.80	7,683.29	5,660.50
4	Non Current Assets							
	Fixed Assets	13						
	Tangible Assets		3,348.64	3,067.98	2,771.32	2,130.07	1,746.64	1,268.67
	Intangible Assets		-	-	-	1.20	-	-
	Capital Work in Progress		12.99	-	290.34	527.14	657.39	720.92
	Non Current Investments	14	540.00	150.67	150.67	150.67	150.67	150.67
	Long Term Loans & Advances	15	148.88	13.62	14.87	11.45	13.92	14.95
5	Current Assets							
	Inventories	16	2,874.55	3,084.17	2,602.33	2,642.10	2,112.12	1,380.69
	Trade Receivables	17	5,068.91	4,013.92	3,282.06	2,685.32	2,173.68	1,444.98
	Cash & Cash Equivalents	18	534.40	544.28	464.88	524.26	472.11	297.36
	Short Term Loan and Advances	19A	485.50	535.33	270.46	406.45	349.55	378.31
	Other Current Assets	19B	7.27	11.42	12.78	8.14	7.21	3.95
	TOTAL		13,021.14	11,421.39	9,859.71	9,086.80	7,683.29	5,660.50

Note :

- 1) The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Consolidated Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustments as given in Annexure - 6.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 2

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Million)

Particulars	Annexure	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A Revenue:							
Revenue From Operations	20	5,485.48	10,471.27	10,109.45	9,114.38	7,212.36	5,659.41
Other Income	21	22.81	47.27	50.97	43.05	31.20	15.62
Total Revenue		5,508.29	10,518.54	10,160.42	9,157.43	7,243.56	5,675.03
B Expenses:							
Cost of Material Consumed	22	3,412.03	7,433.90	7,302.22	6,779.04	5,537.37	4,136.98
Change in Inventories of Finished Goods & Work in Progress	23	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)
Employee Benefit Expenses	24	410.58	676.39	576.52	539.17	478.97	338.03
Finance Costs	25	377.30	699.27	592.69	617.07	412.86	209.99
Depreciation Expenses	26	89.67	162.03	132.89	113.50	66.94	51.14
Other Expenses	27	672.46	1,393.25	1,284.82	996.98	877.67	734.60
Total Expenses		5,288.69	10,079.04	9,783.75	8,740.41	6,863.82	5,201.84
C Restated Profit Before Extraordinary Items and Tax (A-B)		219.60	439.50	376.67	417.02	379.74	473.19
D Add / Less : Extraordinary Items		-	-	-	-	-	-
E Restated Profit Before Tax (C-D)		219.60	439.50	376.67	417.02	379.74	473.19
F Tax Expense / (Income)							
Current Tax		47.87	92.00	79.82	84.22	78.39	95.98
Deferred Tax		12.39	25.11	26.36	27.21	36.09	10.94
Less: MAT Credit Entitlement		(4.14)	(23.85)	(13.22)	(8.59)	(18.61)	(6.26)
Total Tax Expenses		56.12	93.26	92.96	102.84	95.87	100.66
G Restated Profit After Tax		163.48	346.24	283.71	314.18	283.87	372.53

Note :

- 1) The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Consolidated Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustments as given in Annexure - 6.

Annexure - 3

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES						
Profit Before Tax	219.60	439.50	376.67	417.02	379.74	473.19
Adjustments to Reconcile Profit Before Tax to Net Cash Flows						
Depreciation & Amortisation Expenses	89.67	162.03	132.89	113.50	66.94	51.14
Loss / (Profit) on sale On fixed assets (net)	-	0.12	1.47	0.67	3.61	0.28
Interest Income	(19.96)	(38.74)	(40.87)	(39.80)	(30.54)	(14.02)
Interest Expense	377.30	699.27	592.69	617.07	412.86	209.99
Operating profit before working capital changes	666.61	1,262.18	1,062.85	1,108.46	832.61	720.58
Movement in Working Capital						
Decrease/(Increase) in Trade receivables	(1,054.99)	(731.86)	(596.74)	(511.64)	(728.70)	352.29
Decrease/(Increase) in Security Deposits	(4.42)	1.25	(6.98)	2.76	(0.39)	(1.27)
Decrease/(Increase) in Short Term Advances	(35.76)	(212.84)	138.90	(35.11)	35.77	(106.55)
Decrease/(Increase) in Other Current Assets	4.15	1.36	(4.64)	(0.93)	(3.26)	57.14
Decrease/(Increase) in Inventories	209.62	(481.84)	39.77	(529.98)	(731.43)	(531.05)
Increase / (Decrease) in Short Term Provision	0.73	9.80	1.27	16.03	3.75	19.67
Increase / (Decrease) in Trade Receipts / Securities	8.69	4.05	7.29	80.94	24.39	24.97
Increase / (Decrease) in Long Term Provision	10.77	2.50	1.92	(0.34)	6.45	1.45
Increase / (Decrease) in Other Current Liabilities	176.11	20.22	22.90	(15.76)	38.61	29.62
Increase / (Decrease) in Trade Payables	397.40	502.24	(134.89)	602.59	447.75	386.76
Cash generated from / (used) in Operations	378.91	377.06	531.65	717.02	(74.45)	953.61
Direct Taxes Paid (net of Refunds)	(2.27)	(108.01)	(73.91)	(91.59)	(84.39)	(99.54)
Net cash flow from / (used) in Operating Activities (A)	376.64	269.05	457.74	625.43	(158.84)	854.07
B. CASH FLOW FROM INVESTING ACTIVITIES						
Capital Advances (net of Capital Creditors)	(130.84)	-	3.56	(0.29)	1.42	(2.79)
Purchase of Fixed Assets	(370.33)	(721.10)	(776.45)	(499.32)	(551.66)	(256.92)
(Increase) / Decrease in Capital Work in Progress	(12.99)	290.34	236.80	130.25	63.53	(527.30)
Proceeds from Sale of Fixed Assets	-	0.97	2.04	0.52	3.15	0.27
Purchase of Investment (net)	(389.33)	-	-	-	-	(0.01)
Interest Income Received	19.96	38.74	40.87	39.80	30.54	14.02
Net Cash Flow From / (used) in Investing Activities (B)	(883.53)	(391.05)	(493.18)	(329.04)	(453.02)	(772.73)
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Working Capital Loan (Net)	1,049.51	742.84	385.78	539.36	932.69	(113.12)
Proceeds from Issue of Share Capital	-	-	-	5.92	-	60.00
Proceeds from Security Premium	-	-	-	89.98	-	-
Proceeds from Secured Long Term Loan (Net)	(175.20)	160.01	185.13	(258.25)	298.13	281.50
Interest Paid	(377.30)	(699.27)	(592.69)	(617.07)	(412.86)	(209.99)
Dividends Paid on Equity Shares	-	(1.86)	(1.86)	(3.60)	(26.97)	(17.97)
Tax on Dividends Paid on Equity Shares	-	(0.32)	(0.30)	(0.58)	(4.38)	(3.05)
Net cash flow from / (used) in Financing Activities (C)	497.01	201.40	(23.94)	(244.24)	786.61	(2.63)
Net cash Increase/ (decrease) in cash and cash equivalents (A+B+C)	(9.88)	79.40	(59.38)	52.15	174.75	78.71
Cash and cash equivalents at the beginning of the year/ period	544.28	464.88	524.26	472.11	297.36	218.65
Cash and cash equivalents at the end of the year/ period	534.40	544.28	464.88	524.26	472.11	297.36

Note :

- The above statement should necessarily be read with the basis of preparation and significant accounting policies appearing in Annexure - 4 alongwith with Notes to Restated Consolidated Financial Information of the Company as given in Annexures - 5 and Statement of Material Adjustments as given in Annexure - 6.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 4

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

HPL Electric & Power Limited formerly known as HPL Electric & Power Private Limited ('the Company') is a Limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at 1/21, Asaf Ali Road, New Delhi. The Company is engaged in the manufacturing of wide range of Electronic Energy Static Meter, Circuit Protection Switchgears, Moduler Switches , Wires & Cables, CFL and LED Lamps, LED Street Lightings and Luminaries for Domestic, Comercial and Industrial applications. The Company's manufacturing facilities are located at Gurgaon, Gharaunda (Distt. Karnal), Gannaur (Distt. Sonapat), Kundli (Distt. Sonapat), all in Haryana and Jabli in Himachal Pradesh.

The Company has two R&D facilities approved by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, which are located at Gurgaon and Kundli in Haryana,.

The Company has following two Joint Venture, which are engaged in Railway electrification and same have been consolidated with the Company:

- a) HPL Electric & Power Private Limited - Trimurthi Hitech Co. Private Limited - Shriji Designs (JV) with the 97% Ownership
- b) HPL Electric & Power Private Limited - Shriji Designs (JV) with the 94% Ownership

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Prepration

The restated consolidated summary of assets and liabilities of the Company for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011 and the restated consolidated summary of profits and loss and statement of cash flows for the six months period ended 30th September 2015 and years ended 31st March 2015, 2014, 2013, 2012 and 2011, [herein collectively refered to as "Restated Consolidated Summary Statements"] have been derived by the Management from the then Audited Financial Statements of the Company for the corresponding years. These Restated Consolidated Summary Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of existing equity shares of the Company. The Restated Consolidated Summary Financial Information have been prepared in accordance with the requirements of:

- (a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and
- (b) The SEBI (Issue of Capital and Disclosure Requirments) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

Significant accounting policies

a) Basis of accounting and presentation

The Restated Consolidated Financial Information of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continues to apply under section 133 of the Companies Act 2013, other pronouncements of the Institute of Chartered Accountants of India , the provisions of Companies Act 2013 (to the extent notified) and the Companies Act 1956 (to the extent applicable).

b) Basis of Consolidation

The Restated Consolidated Financial Information has been prepared based on the consolidated financial statements which have been prepared on the following basis:

- a) The financial statements of the Company and its two Joint Ventures have been combined (to the extent of ownership of the Company) on the line by line basis by adding together the book value of like items of assets, liabilities, income and expenses. Intra-group balances, intra-group transactions and unrealised profits or losses have been fully eliminated.
- b) The Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.
- c) The financial statements of the Joint Ventures used for the purpose of consolidation are drawn upto the same reporting date as that of the Company i.e. 30 September 2015.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

d) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

Assets retired from active use and held for disposal are stated at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

e) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately. However Schedule II allows companies to use higher / lower useful lives and values, If such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of the fixed assets.

The depreciation on assets for a value not exceeding Rs.5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over estimated useful life of assets on Straight Line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

g) Inventories

i) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.

ii) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.

iii) Purchased Goods-in-transit are carried at cost.

iv) Stores and Spares are valued at lower of cost or net realizable value.

v) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

h) Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount / trade obligations and sales tax / vat. Export sales are recognized on the date of shipping / air way bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income / expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

i) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

j) Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit & Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

k) Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

l) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

m) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are

n) Cash Flow

Cash Flow are reported according to the indirect method as specified in the Accounting Standard-3 (Revised), Cash 'Flow Statement', notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

o) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

i) Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

ii) Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

p) Lease

i) Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

ii) Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

q) Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/ Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expenses over the life of the contracts.

To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expenses for the period.

To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option.

To account for profit / loss arising on settlement or cancellation of currency option as income / expenses for the period.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet dates, and to ignore the net gain, if any.

To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

r) Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

s) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to two years.

t) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are complied and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

u) Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting".

Identification of Segments:

i) Primary- Business Segment

The Company has identified four reportable segments viz. Metering, Switchgears, Lighting and Wires & Cables on the basis of the nature of products. The risk and return profile of individual business & the internal Business reporting systems.

ii) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the Customers.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

Segment assets and segment liabilities represent assets and liabilities in Respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

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Annexure - 5

NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

A : Disclosures pursuant to Accounting Standard (AS) 15 "Employee Benefits ":

The company had a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed years of service.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amount recognized in the Balance Sheet for the respective plans.

1. Defined Contribution Plans (Recognized as expenses for the year) (INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Employer's Contribution to Provident Fund	7.48	10.04	7.84	6.85	10.59	8.02
Employer's Contribution to ESI	1.06	2.29	2.36	2.28	3.76	3.36
Employer's Contribution to Welfare fund	0.07	0.15	0.15	0.15	0.16	0.14
Employer's Contribution to PPF	-	-	0.08	0.32	-	-
TOTAL	8.61	12.48	10.43	9.60	14.51	11.52

2. Defined Benefit Plans

(a). Reconciliation of opening and closing balance of Defined Benefit Obligation (INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Opening Balance	18.43	15.81	13.34	11.89	5.44	3.99
Current Service Cost	2.96	3.14	3.06	2.88	2.53	1.26
Interest Cost	0.74	1.26	1.20	0.98	0.48	0.33
Actuarial (gain) / loss	8.10	(0.58)	(1.13)	(1.85)	3.52	(0.14)
Benefits Paid	(0.17)	(1.20)	(0.66)	(0.56)	(0.08)	-
Closing Balance	30.06	18.43	15.81	13.34	11.89	5.44

(b). Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present Value of Funded Obligation	30.06	18.43	15.81	13.34	11.89	5.44
Fair Value of Plan Assets	-	-	-	-	-	-
Unfunded Net Liability recognized in the Balance sheet disclosed under Long Term Provisions and Short Term Provisions	30.06	18.43	15.81	13.34	11.89	5.44

(c). Expenses recognized during the year

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Current Service Cost	2.96	3.14	3.06	2.88	2.53	1.26
Interest Cost	0.74	1.26	1.20	0.98	0.48	0.33
Expected Return on Plan Assets	-	-	-	-	-	-
Net Actuarial (gain) / loss recognized in the period	8.10	(0.58)	(1.13)	(1.85)	3.52	(0.14)
Net Cost	11.80	3.82	3.13	2.01	6.53	1.45

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Annexure - 5 (Cont..)

B : Disclosures pursuant to Accounting Standard (AS) 16 " Borrowing Cost ":

Sum attributable to the acquisition or construction of qualifying assets has been capitalized are as under :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Borrowing Cost	-	37.47	81.50	44.42	44.16	36.95

C : Disclosures pursuant to Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets ":

(a) Movement in Provisions for Product Warranty

The company has made provision for warranties based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given as under below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Opening Balance	47.68	46.80	36.77	31.54	30.54	25.00
Add : Additions made during the year	20.00	30.00	30.00	20.00	15.00	15.00
Less : Used / Reversed during the year	21.47	29.12	19.97	14.77	14.00	9.46
Closing Balance	46.21	47.68	46.80	36.77	31.54	30.54

(b) Bank Guarantee

There was no such bank guarantee was given by Bank on our behalf to any third party.

(c) Contingent Liabilities

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Disputed Demand Liabilities with HUDA (refer note ii)	-	-	0.30	0.30	0.30	0.30
Demand Liabilities with Service Tax Authorities (refer note ii)	16.01	16.01	3.01	3.54	2.80	0.16
Demand Liabilities under Haryana Vat Authorities (refer note ii)	9.21	9.21	7.23	6.95	2.86	-
Demand Liabilities under Central Exice Authorities (refer note ii)	7.22	7.22	13.26	13.26	13.52	10.75
Liability towards banks against receivable buyout facility (refer note i)	-	300.00	300.00	350.00	100.00	100.00
Demand Liabilities under ESI Authorities (refer note ii)	-	-	-	-	0.46	0.46
Total	32.44	332.44	323.80	374.05	119.94	111.67

Notes :

- The company has utilized a receivable buy out facility as stated above from IndusInd Bank Ltd. against trade receivables with a recourse of full facility amount. Accordingly, the trade receivables stand reduced by the said amount.
- These are the cases where dues are pending with Taxation and other authorities as on Balance Sheet dates which have not been deposited on account of disputes. Based on the favorable decisions in similar cases and discussions with the solicitors, the company does not expect any liability against these matters, hence no provisions has been considered in the books of accounts. Besides these dues, show cause notices from the various departments have been received by the company, had not been treated as contingent liabilities since the company has represented to the concerned departments and does not expect any liability on this account. Details of these dues are as under :-

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Annexure 5 (Cont..)

Details of the dues against pending cases with Authorities :

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the disputes is pending	(INR in Million)						Remarks
				As at						
				30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	
HUDA	Demand for enhancement of land value	1996	HUDA	-	-	0.30	0.30	0.30	0.30	No demand
ESI Act, 1948	Demand for ESI	1999-2000	District Court Gurgaon	-	-	-	-	0.35	0.35	No demand
ESI Act, 1948	Demand for ESI	2004-05 to 2010-11	District Court Gurgaon	-	-	-	-	0.11	0.11	No demand
Central Excise Act, 1944	Demand for Excise Duty	2001-2002	CESTAT, New Delhi	-	-	-	-	0.26	0.35	No demand
Central Excise Act, 1944	Demand for Excise Duty	2000-2001	Punjab & Haryana High Court	-	-	10.40	10.40	10.40	10.40	No demand
Central Excise Act, 1944	Demand for Excise Duty	2007-08	CESTAT, New Delhi	4.54	4.54	1.82	1.82	1.82	-	Pending
Central Excise Act, 1944	Demand for Excise Duty	2007-08	CESTAT, New Delhi	1.04	1.04	1.04	1.04	1.04	-	Pending
Central Excise Act, 1944	Demand for Excise Duty	2008-09	Add. Comm. LTU, Delhi	1.64	1.64	-	-	-	-	Pending
Finance Act, 1994	Demand for Service Tax Credit	2007-08 to 2010-11	CESTAT, New Delhi	2.28	2.28	2.28	2.28	2.28	0.16	Pending
Finance Act, 1994	Demand for Service Tax Credit	2008-09	Commissioner Appeal, LTU, Delhi	-	-	0.52	0.52	0.52	-	No demand
Finance Act, 1994	Demand for Service Tax Credit	2012-13 to 2014-15	LTU, Delhi	0.36	0.36	0.10	0.10	-	-	Pending
Finance Act, 1994	Demand for Cenvat Credit	2011-2012	LTU Delhi	0.11	0.11	0.11	0.11	-	-	Pending
Finance Act, 1994	Demand for Cenvat Credit	2008-09	CESTAT, New Delhi	13.26	13.26	-	0.53	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-2012	Joint Comm., (Appeal), Rohtak	0.24	0.24	0.24	0.24	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2008-2009	Haryana Tax, Tribunal, Chandigarh	2.55	2.55	2.55	2.77	2.86	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2010-11	Joint Comm., (Appeal), Rohtak	1.78	1.78	1.62	1.62	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2009-10	Haryana Tax, Tribunal, Chandigarh	0.48	0.48	0.50	-	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-12	Haryana Tax, Tribunal, Rohtak	1.84	1.84	-	-	-	-	Pending
Haryana Vat Act, 2003	Demand for Sales Tax	2011-12	Haryana Tax, Tribunal, Sonapat	2.32	2.32	2.32	2.32	-	-	Pending

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Annexure - 5 (Cont..)

D : Research and Development Expenses

The company is registered for In-house Research & Development with the Ministry of Science & Technology and availing the exemption of custom & exice duty as prescribed for carrying out its Resesrch Acitivities. Following are the detials of the expenses incurred and booked as expenses in the year it ocured towards it Research & Development Acitivities :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
I. Capital Expenditure	3.72	0.81	2.52	3.73	2.21	1.04
Sub Total	3.72	0.81	2.52	3.73	2.21	1.04
II. Revenue Expenditure						
Employee Cost	29.12	51.80	51.68	47.10	32.30	19.22
Staff Welfare	0.48	1.22	0.40	0.35	0.18	0.17
Purchase of Raw Materials	2.44	3.87	4.66	4.23	1.98	2.84
Electricity Expenses	0.61	1.05	0.91	0.51	0.45	0.46
Communication Expenses	0.08	0.55	0.57	0.51	0.28	0.26
Travelling & Conveyance	0.27	1.38	3.66	2.20	1.11	1.13
Repair & Maintenance	0.03	1.06	0.21	0.11	0.15	0.82
Sampling & Testing	-	0.36	5.28	5.02	0.39	1.57
Sub Total	33.03	61.29	67.37	60.03	36.84	26.47
TOTAL	36.75	62.10	69.89	63.76	39.05	27.51

E : Auditor's Remuneration

Following are the details of the expenses incurred by the company towards its Audit and other professional & legal expenses :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Statutory Audit Fees	0.25	0.31	0.31	0.21	0.21	0.10
Tax Audit Fees	-	0.10	0.10	0.10	0.10	-
Company Law Matter	-	-	-	0.13	0.20	-
Other Services	-	-	-	0.05	0.05	-

F . Earning Per Share :

In accordance with AS-20 for “Earnings per Share”, the basic & diluted earnings per share is being calculated as under :

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
(A) Net Profit attributable to Equity Shareholders (INR in Million)	163.48	346.24	283.71	314.18	283.87	372.53
Weighted Average No. of Equity Shares (Post-bonus issue):						
(B) For Basic EPS	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
(C) For Diluted EPS	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
Basic EPS (Post-bonus issue) (A / B)	3.52	7.46	6.11	6.81	6.32	8.48
Diluted EPS (Post-bonus issue) (A / C)	3.52	7.46	6.11	6.81	6.32	8.48
Weighted Average No. of Equity Shares (Pre-bonus issue):						
(D) For Basic EPS	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
(E) For Diluted EPS	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
Basic EPS (Pre-bonus issue) (A / D)	8.80	18.64	15.28	17.16	15.79	21.94
Diluted EPS (Pre-bonus issue) (A / E)	8.80	18.64	15.28	17.16	15.79	21.94

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Annexure - 5 (Cont..)

Note:

Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015.

G : Value of Imports (on CIF basis) :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
I. Raw materials	966.01	2,545.83	2,132.54	2,023.75	1,802.17	1,640.27
II. Capital Goods	11.70	6.46	8.46	11.92	22.31	9.85

H : Earning in Foreign Currency :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Sale on FOB basis	85.96	279.98	216.36	177.01	24.94	14.03

I : Expenditure in Foreign Currency during the year :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Travelling	1.07	0.68	0.47	2.66	1.48	0.95
Dividend Remitted	-	-	0.10	0.20	1.49	1.49
No. of Non-Resident Shareholders	-	-	1	1	1	1
No. of shares held by Non-Resident Shareholders	-	-	37,646	993,316	993,316	993,316

J : Derivative Instruments :

a) Outstanding forward exchange contracts entered by the company for the purpose of hedging its foreign currency exposures :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Buy :						
US dollar	Nil	2.03	6.33	9.55	11.02	4.27
Cross Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Amount in Indian Rupees	Nil	99.75	307.35	461.96	531.98	264.86
Sell :						
US dollar	Nil	Nil	Nil	Nil	Nil	Nil

b) Foreign currency exposure recognized by the company that have not been hedged by a derivative instrument or otherwise :

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Buy :						
US dollar	16	9.78	7.41	3.77	3.63	2.84
Cross Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
Amount in Indian Rupees	1,058.14	611.10	443.95	204.99	184.85	126.48
Sell :						
US dollar	Nil	Nil	Nil	Nil	Nil	Nil

K : Disclosures pursuant to Corporate Social Responsibility":

As per the provisions of Section 135 of the Companies Act, 2013, the Company has to provide 2% of average net profits of preceding 3 financial years towards Corporate Social Responsibility ('CSR'). Accordingly , a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. CSR Committee is exploring the area of activities to be carried out under CSR program of the Company. The Company will compensate the shortfall on this account in years to come.

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Annexure - 6

STATEMENT OF MATERIAL ADJUSTMENTS ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The summary of results of restatement made in the audited standalone financial statements for the respective years and its impact on the profit/ (loss) of the Company is as follows:

(INR in Million)						
Particulars	Six months ended 30.09.2015	Year ended				
		31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
(A) Net Profit / (Loss) as per Audited Financial Statements	155.36	345.43	297.14	317.83	287.38	377.23
(B) Adjustments on Account of:						
(Under) / Over Provision of Taxes (refer note i)	-	0.60	0.01	(0.02)	(1.69)	(1.09)
Adjustment in MAT Credit Entitlement (refer note ii)	1.94	25.35	(6.17)	(0.27)	5.10	(1.35)
Adjustment in deferred taxes (refer note iii)	5.16	(26.56)	(0.25)	0.29	(6.23)	1.62
Net (Addition) / Reversal under Warranty Claim (refer note iv)	1.47	2.09	(10.03)	(5.23)	(1.00)	(5.54)
Total Adjustment	8.57	1.48	(16.44)	(5.23)	(3.82)	(6.36)
Tax Impact of Adjustment (refer note v)	(0.31)	(0.44)	2.09	1.04	0.21	1.11
Impact on MAT Credit Entitlement (refer note v)	0.31	0.44	(2.09)	(1.04)	(0.21)	(1.11)
Impact on deferred taxes (refer note v)	(0.43)	(0.63)	3.02	1.57	0.28	1.66
Rounded Off Differences	(0.02)	(0.04)	(0.01)	0.01	0.03	-
(E) Restated Profit / (Loss) after Tax (C-D)	163.48	346.24	283.71	314.18	283.87	372.53

Notes:

i. Under / (Over) Provision of Tax :

Provision for Taxes has been restated and accounted based on orders / intimations received from Income tax Authorities.

ii. Adjustment in MAT Credit Entitlement :

These adjustment includes rectification in MAT Credit Entitlement and impact of restatement adjustment identified above.

iii. Adjustment in deferred taxes :

These Adjustment includes rectification in calculation of Deferred Tax, and impact of restatement adjustment identified above.

iv. Net (Addition) / Reversal under Warrant Claim:

The company has made additional provision of warranty for the year ended March 2015, 2014, 2013, 2012, 2011 and the period ended September 2015 on the basis of best estimates of the expenditure required to settle the obligation at the balance sheet dates. According restatement has been made.

v. Impact of Restatement in Taxes, MAT and Deferred Taxes :

The Restated summary statements have been adjusted for the tax impact and impact on MAT credit entitlement & Deferred taxes of the restatement adjustments identified above in the respective years / periods.

vi. Material Regrouping :

Restated consolidated financial statements has been reclassified for the corresponding items of income, expenses, assets & liabilities wherever required in order to bring them in line with the regrouping and prepared in accordance with Schedule III of the Companies Act, 2013 and the requirement of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

vii. Adjustment in Opening Reserve & Surplus :

The company had expensed out income tax expenses amounting to INR 27.26 Million which pertains to period prior to April 1, 2010. In the restated consolidated financial information, such expenses has been adjusted against opening balance of Reserve and Surplus under the head ' Surplus' as on April 1, 2010.

Short Provision in respect of Warranty claims upto March 31, 2010 amounting to INR 25.00 Million has been adjusted against opening balance of Reserve and Surplus (Surplus) as on April 1, 2010.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 7

RESTATEd CONSOLIDATED STATEMENT OF SHARE CAPITAL

Particulars	As at										(INR in Million)	
	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(a) Authorised Share Capital :												
Equity Shares of Rs. 10 each	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	18,000,000	180.00	18,000,000	180.00
Total	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	20,000,000	200.00	18,000,000	180.00	18,000,000	180.00
(b) Issued, Subscribed, & Fully Paid up :												
Equity Shares of Rs. 10 each fully paid up	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	17,979,679	179.80	17,979,679	179.80
Total	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	18,571,679	185.72	17,979,679	179.80	17,979,679	179.80

(c) Reconciliation of No. of Shares Outstanding :	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Balance at the beginning of the year / period	18,571,679	18,571,679	18,571,679	17,979,679	17,979,679	11,979,679
Add: Shares issued during the year / period	-	-	-	592,000	-	6,000,000
Balance at the end of the year / period	18,571,679	18,571,679	18,571,679	18,571,679	17,979,679	17,979,679

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL EQUITY SHARES AS ON BALANCE SHEET DATE :

Particulars	30.09.2015		31.03.2015		31.03.2014		31.03.2013		31.03.2012		31.03.2011	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Mr. Lalit Seth	3,081,239	16.59%	3,081,239	16.59%	3,081,239	16.59%	3,081,239	16.59%	3,081,239	17.14%	3,081,239	17.14%
Socomec S.A(France)	-	-	-	-	-	-	993,316	5.35%	993,316	5.52%	993,316	5.52%
HPL India Limited	4,695,295	25.28%	4,695,295	25.28%	4,695,295	25.28%	4,695,295	25.28%	4,310,295	23.97%	4,760,295	26.48%
Havell's Private Limited	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.12%	1,137,062	6.32%	1,137,062	6.32%
Havell's Electronics Private Limited	4,660,852	25.10%	4,660,852	25.10%	4,660,852	25.10%	4,660,852	25.10%	4,453,852	24.77%	4,003,852	22.27%
Himachal Energy Private Limited	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.12%	2,250,000	12.51%	2,250,000	12.51%

Note :

- 1) During the F.Y. 2010-11, the company has issued 60,00,000 equity shares of Rs. 10 each fully paid up at par on Preferential basis.
- 2) During the F.Y. 2012-13, Authorised Capital of the company has increased to 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each.
- 3) During the F.Y. 2012-13 the company has issued 5,92,000 equity shares of Rs. 10 each fully paid up at a premium of Rs. 152/- per share on Preferential basis.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 8

RESTATED CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS

(INR in Million)

	Particulars	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
(A) General Reserve							
	Balance as per last financial statements	242.13	227.13	212.13	197.13	177.13	157.13
	Add : Additions during the year	-	15.00	15.00	15.00	20.00	20.00
	Less : Utilised / transferred during the year	-	-	-	-	-	-
	At the end of the Year	242.13	242.13	227.13	212.13	197.13	177.13
(B) Securities Premium Reserve							
	Balance as per last financial statements	755.71	755.71	755.71	665.73	665.73	665.73
	Add : Premium on shares issued during the year	-	-	-	89.98	-	-
	Less : Utilised during the year	-	-	-	-	-	-
	At the end of the Year	755.71	755.71	755.71	755.71	665.73	665.73
(C) Surplus / (Deficit) in the Statement of Profit and Loss							
	Balance as per last financial statements	1,998.44	1,930.77	1,664.24	1,367.22	1,107.53	786.35
	Add : Restated Profit / (Loss) after tax	163.48	346.24	283.71	314.18	283.87	372.53
	Less: Proposed Dividend	-	(1.86)	(1.86)	(1.86)	(3.60)	(26.97)
	Less: Tax on Proposed Dividend	-	(0.38)	(0.32)	(0.30)	(0.58)	(4.38)
	Less: Impact of Carrying Value of Assets (Note 1)	-	(261.33)	-	-	-	-
	Less: Transfer to General Reserve	-	(15.00)	(15.00)	(15.00)	(20.00)	(20.00)
	At the end of the Year	2,161.92	1,998.44	1,930.77	1,664.24	1,367.22	1,107.53
	TOTAL (A+B+C)	3,159.76	2,996.28	2,913.61	2,632.08	2,230.08	1,950.39

Note :

- 1) With the applicability of Companies Act, 2013 with effect from April 1, 2014 and as per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013 the carrying amount of existing assets as on April 1, 2014 of which the remaining useful life is NIL as per useful lives stated in Schedule II, the carrying amount of such assets as on April 1, 2014 has been adjusted against the opening balance of Retained Earnings.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 9

RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS & SHORT TERM BORROWINGS

9A : LONG TERM BORROWINGS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Secured Loans						
(A) From Banks :						
Term Loan { refer annexure 9A(i) }	493.05	540.06	283.75	390.16	596.42	446.54
Corporate Loan { refer annexure 9A(ii) }	338.54	413.61	384.67	115.62	223.00	120.22
Vehicle Loans	-	-	2.57	4.89	3.23	2.88
(B) From Others :						
Vehicle Loans	-	-	-	0.22	1.55	-
TOATL (A+B)	831.59	953.67	670.99	510.89	824.20	569.64

Note :

The Company has not availed any borrowings whether secured or unsecured from the promoters / group companies / subsidiaries / material associates companies at any time.

Annexure - 9 (contd.)

9A(i) : SECURED LONG TERM BORROWINGS - TERM LOAN

(INR in Million)								
S. No.	Lender	Nature of facility	Amount Sanctioned	Amount Outstanding as at September 30, 2015	Rate of Interest	Repayment Terms	Terms of Rescheduled, Prepayment, Default and Penalty	Security / Principal terms & conditions
1.	IndusInd Bank Limited	Term Loan	400.00	165.12	0.75% above IBL base rate of 10.60% therewith, present base rate 10.60% p.a.+ 0.75% = 11.35% present effective rate (present IBL effective from 19.10.15)	48 unequal monthly installments starting from July 2016 :- (1st to 24th month) - 6.48 Million (25th to 36th month) - 9.26 Million (37th to 48th month) - 11.11 Million	(1) Maximum Total Debt / EBIDTA is 3.00x for FY 16 and 2.50x for rest years. (1) Maximum Total Debt / Tangible Net Worth is 1.50x for FY 16 and 1.25x for rest years. (2) Minimum DSRA of month Interest and Principal (3) Minimum DSCR is 1.33x (4) Minimum FACR is 1.25x (5) Prepayment charges is 1.5% p.a	Primary/Collateral:- (1) First Charge on Industrial property situated at Plot No. 357-Q, Pace City II, Sector - 37, Gurgaon (2) First Hypothecation Charge on Plant & Machinery value of Rs. 1,454 lacs. (3) Second pari passu charge with other working capital lenders over entire fixed assets of company (excluding fixed assets where working capital lenders have 1st charge) Guarantee:- Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.
2	ICICI Bank Limited	Term Loan	500.00	327.93	Spread of 1.50% above I-base 9.35%, Present effective rate 10.85% p.a. (present I-base effective from 05.10.2015)	Payment in 20 quarterly unequal installment starting from June 2015. Qtr(1-4) - 4 crore Qtr(5-8) - 8 crore Qtr(9-12) - 12 crore Qtr(13-16) - 13 crore Qtr(17-20) - 13 crore	(1) Interest is payable on any default in payment of installment of principal amount as liquidated damages @ 2% p.a. (2) Minimum DSCR of 1.10 (3) TD / TNW < 1.50 for 1st yr < 1.40 for 2nd year and < 1.20 for rest of the years. (4) TD / EBIDTA < 4.0 (5) Prepayment premium of 1% on amount of facility prepaid subject to giving atleast 15 days prior notice	Primary/Collateral:- (1) First pari passu charge over immovable & movable fixed assets of the company, at its Gharaunda Plant. Guarantee:- Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.

Annexure - 9 (contd.)

9A(ii) : SECURED LONG TERM BORROWINGS - CORPORATE LOAN

(INR in Million)						
S. No.	Lender	Nature of facility	Amount Sanctioned	Outstanding as at September 30, 2015	Rate of Interest	Repayment Terms
1	IDBI Bank Limited	Corporate Loan	400.00	218.75	BBR plus 175 bps, presently BBR plus 200 bps Present BBR is 9.75% and present effective rate us 11.75% p.a. (present BBR effective from 05.10.2015)	In First year starting from 2014-15 Installment of Rs. 5 crore p.a. and after that for 4 years Rs. 8.75 crore p.a. total 60 equal monthly Installments.
						<p>Terms of Reschedulment, Prepayment, Default and Penalty</p> <p>(1) Interest is payable on any default in payment of installment of principal amount as liquidated damages @2% p.a. for the period of default.</p> <p>(2) Minimum DSCR of 1 be maintained.</p> <p>(3) TOL/TNW > 3</p> <p>(4) (a) Prepayment premium is 1% plus applicable taxes subject to giving at least 45 days prior notice. (b) No prepayment premium, in case the rate of interest is levied on reset, is not acceptable to the Borrower. (c) Where increase in the interest rate on reset is due to rating downgrade, no exemption for payment of prepayment premium.</p>
						<p>Security / Principal terms & conditions</p> <p>Primary/Collateral:- (1) First pari passu charge on current assets of the company to the extent of Rs. 35 crore. (2) Exclusive Charge on specific fixed assets created out of the corporate loan to the extent of Rs. 10 crore. (3) Exclusive charge on property situated at Plot No. 27, Block No. A, Sector -9, Noida, U.P. in the name of group company Havell's Electronics Private Limited Guarantee:- (1) Corporate Guarantee of Havell's Electronic Private Limited (2) Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.</p>
2	Kotak Mahindra Bank Limited	Corporate Loan	250.00	119.79	KMBR of 9.50% plus 1.75% , present effective rate of 11.25% p.a. (present KMBR effective from 05.10.2015)	48 equally monthly installments starting from 01.10.2014
						<p>Terms of Reschedulment, Prepayment, Default and Penalty</p> <p>(1) IBD (including buyer's credit + interchangability utilized from NFB to FB) / TNW < 1.5 from FY 15 onward and IBD / EBITDA < 4.5 and DSCR > 1.1 to be monitored on half yearly basis.</p> <p>(2) 6 months put and call option with interest reset clause.</p> <p>(3) DSRA pf 3 months shoule be maintained.</p> <p>(4) Prepayment penalty would be 4% of the outstanding amount.</p>
						<p>Security / Principal terms & conditions</p> <p>Primary/Collateral:- (1) Exclusive First charge on Land & Building and Plant & Machinery situated at 76 -B, Sector -57, Phase IV, Industrial Estate, Kundli, Haryana. Guarantee:- Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth & Shri Gautam Seth.</p>

HPL ELECTRIC & POWER LIMITED
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Annexure - 9 (contd.)

9B : SHORT TERM BORROWINGS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Loans Repayable on Demand :						
From Banks						
Working Capital Facility from Bank- { refer annexure 9B(i) & note (i) & (ii) }	4,248.19	3,498.68	3,155.84	2,770.06	2,230.70	1,298.01
Commercial Paper (Unsecured) - {refer note (iii) & (iv) }	700.00	400.00	-	-	-	-
Total Short Term Borrowings	4,948.19	3,898.68	3,155.84	2,770.06	2,230.70	1,298.01

Note :

i) Working Capital Loans from Consortium Banks availed by the Company is secured by :

Primary :-

Pari passu 1st charge on entire current assets of the Company including receivables, both present and future, with other member banks including Corporate Loan lender (IDBI Bank Limited) to the extent of Rs. 35 Crores for shoring of NWC.

Collateral :-

(1) First charge on pari passu basis with other working capital lenders over Company's fixed assets (excluding fixed assets financed by term lenders), both present and future at the Company's under noted Units :

- Plot no. 132 (rented), 133(owned), Pace City-I, Sector 37, Gurgaon, Haryana (L&B and P&M).
- Plot No. 357-Q, Pace City –II, Sector -37, Gurgaon, Haryana (P&M) - Owned
- Vill : Bastara, Tehsil : Gharaunda, Distt. Karnal, Haryana (P&M) - Owned
- Vill & PO : Bigan, Tehsil : Gannaur, Dhaturi Road, Sonapat, Haryana (L&B and P&M) – Owned.
- Plot No. 76-B, Sector – 57, Phase IV, Kundli Industriail Estate, Sonapat, Haryana (P&M) – Owned.
- All other fixed assets of the Company (over which term lenders do not hold any charge) –Owned.

The above pari-passu 1st charge includes equitable mortgage of Land & Building located at Plot No. 133, , Sector -37, Gurgaon, Haryana measuring 1000 sq. meters and Land & Building located at Vill & P.O. : Bigan, Tehsil : Ghannaur, Dhaturi Road, Sonapat, Haryana and first pari-passu charge on Plant & Machinery (excluding fixed assets financed by term lenders) at the above mentioned units (a to e).

(2) Second Charge on pari-passu basis with other working capital lenders over entire fixed assets of Company (excluding fixed assets of under Pint No. 1 above where woring capital lenders have 1st charge)

Personal Guarantee

Personal Guarantee of Shri Lalit Seth, Shri Rishi Seth and Shri Gautam Seth

ii) Terms of Repayment of Working Capital Loans from Consortium Banks

Such Cash Credit /Working Capital Demand Loan are Sanctioned for a period of one year and renewal on yearly basis and carries rate of interest based on respective Bank's Base Rate.

iii) The Company had issued comercial paper amounting Rs. 40.00 cr during the financial year 2014-15 which was subscribed by HDFC bank Ltd. at discounted yeild of 9.80% p.a. The comercial paper was issued for 180 days with maturity on 21st September, 2015.

iv) The Company had issued comercial papers amounting Rs. 40 cr & Rs. 30cr during the financial year 2015-16 which were subscribed by HDFC bank Ltd. at discounted yeild of 9.45% & 9.80% p.a. respectively. The comercial papers were issued for 90 days & 180 days maturity respectively.

v) The Company has not availed any borrowings whether secured or unsecured from the promoters / group companies / subsidiaries / material associates companies at any time.

HPL ELECTRIC & POWER LIMITED
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Annexure - 9 (contd.)

9B (i): SECURED SHORT TERM BORROWINGS

(INR in Million)

Sr No.	Name of the Consortium member Bank	Amount Sanctioned	Amount Outstanding as at September 30, 2015			Rate of Interest		Remarks
			Cash Credit	Working Capital Demand Loan	Total	On Cash Credit (Oct.15 onwards)	On Working Capital Demand Loan	
1	STATE BANK OF INDIA	Fund Based - 900 Non Fund Based - 1400 Maximum under all Facilities :- 2300 Interchangeability - 50% from FB to NFB and 20% NFB to FB.	1,163.32	-	1,163.32	Base Rate + 1.50% = 10.80% p.a.		
2	IDBI BANK LIMITED	Fund Based - 250 Non Fund Based - 1100 Maximum under all Facilities :- 1350 Interchangeability - 50% from FB to NFB and 20% from NFB to FB.	425.80	-	425.80	Base Rate + 2.25% = 12.00% p.a.		
3	STATE BANK OF BIKANER & JAIPUR	Fund Based - 390 Non Fund Based - 260 under all Facilities :- 650	-	302.88	302.88		11.75% p.a.	
4	INDUSIND BANK LIMITED	Fund Based - 300 Non Fund Based - 100	48.17	250.00	298.17	Base Rate + 2.00% = 12.60% p.a.	11.75% p.a.	
5	DBS BANK LTD.	Fund Based - 200 Non Fund Based - 250 Interchangeability upto 450 both way	34.49	250.00	284.49	Base Rate + 2.80% = 12.00% p.a.	10.50% to 10.55% p.a.	Working Capital Demand Loan has been Drawn down in 8 tranches at following rates: 1st draw down of Rs. 40 Million @ 10.55% p.a. & 2nd to 8th draw down of Rs. 30 Million each @ 10.50% p.a.
6	HDFC BANK LTD.	Fund Based - 220 Non Fund Based - 50 under all Facilities :- 270 100% NFB interchabale with FB.	50.41	220.00	270.41	Base Rate + 2.25% = 11.55% p.a.	11.90% p.a.	
7	CTBC BANK CO. LTD.	Fund Based - 250 Non Fund Based - 50 under all Facilities :- 300	-	250.00	250.00		11.75% p.a.	

HPL ELECTRIC & POWER LIMITED
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Annexure - 9 (contd.)

Sr No.	Name of the Consortium member Bank	Amount Sanctioned	Amount Outstanding as at September 30, 2015			Rate of Interest		Remarks
			Cash Credit	Working Capital Demand Loan	Total	On Cash Credit (Oct.15 onwards)	On Working Capital Demand Loan	
8	STATE BANK OF MYSORE	Fund Based - 200 Non Fund Based - 160 Maximum under all Facilities :- 360 Interchangeability:- 50% from FB to NFB and 20% from NFB to FB.	29.10	200.00	229.10	Base Rate + 1.00% = 10.65% p.a	11.00% p.a.	
9	ORIENTAL BANK OF COMMERCE	Fund Based - 200 Non Fund Based - 600 Maximum under all Facilities :- 800 Interchangeability - upto 100 Million for both way	205.39	-	205.39	Base Rate + 1.75% = 11.45% p.a.		
10	KARNATAKA BANK LTD.	Fund Based - 200	199.80	-	199.80	Base Rate + 1.25% = 11.50% p.a.		
11	CANARA BANK	Fund Based - 200 Non Fund Based - 50 Maximum under all Facilities :- 250	199.35	-	199.35	Base Rate + 2.75% = 12.40% p.a		
12	THE RATNAKAR BANK LTD.	Fund Based - 160 Maximum under all Facilities :- 160	-	160.33	160.33		12.25% p.a.	
13	STATE BANK OF PATIALA	Fund Based - 250 Non Fund Based - 560 Maximum under all Facilities :- 810 Interchangeability - 50% from FB to NFB and 20% NFB to FB.	122.13	-	122.13	Base Rate + 2.75% = 12.40% p.a.		
14	THE BANK OF NOVA SCOTIA	Fund Based - 350 Non Fund Based - 350 Maximum under all Facilities :- 350	8.96	110.00	118.96	Base Rate + 2.85% = 11.50% p.a.	11.50% p.a.	
15	AXIS BANK LIMITED	Fund Based - 100 Non Fund Based - 330 Maximum under all Facilities :- 430	18.06	-	18.06	Base Rate + 2.75% = 12.25% p.a.		
16	ICICI BANK LIMITED	Non Fund Based - 90	-	-	-			

(INR in Million)

HPL ELECTRIC & POWER LIMITED
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Annexure - 10

RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A : Opening Balance of Deferred Tax Liabilities (Net)	185.28	160.17	133.81	106.60	70.51	59.57
B : Deferred Tax Liabilities						
Difference between Book Depreciation and Tax Depreciation	14.82	36.10	28.87	30.58	39.33	14.35
Leave encashment	0.47	-	1.16	-	-	-
Provision for Warranty	0.44	-	-	-	-	-
	15.73	36.10	30.03	30.58	39.33	14.35
C : Deferred Tax Assets						
Gratuity	0.46	0.73	0.63	0.51	1.94	0.43
Leave encashment	-	1.86	-	1.22	0.82	1.26
Bonus	-	0.03	0.03	0.07	0.18	0.06
Provision for Doubtful debts	2.88	8.11	-	-	-	-
Provision for Warranty	-	0.26	3.01	1.57	0.30	1.66
	3.34	10.99	3.67	3.37	3.24	3.41
Closing Deferred Tax Liabilities (Net) (A+B-C)	197.67	185.28	160.17	133.81	106.60	70.51

HPL ELECTRIC & POWER LIMITED
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Annexure - 11

RESTATED CONSOLIDATED OF OTHER LONG TERM LIABILITIES & LONG TERM PROVISIONS

11A : OTHER LONG TERM LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Trade/ Security Deposits Received	183.81	175.12	171.07	163.78	82.84	58.45
TOTAL	183.81	175.12	171.07	163.78	82.84	58.45

11B : LONG TERM PROVISIONS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Provisions for Employee Benefits:						
Provision for Gratuity	26.74	15.97	13.47	11.55	11.89	5.44
TOTAL	26.74	15.97	13.47	11.55	11.89	5.44

Annexure - 12

RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES, OTHER CURRENT LIABILITIES & SHORT TERM PROVISIONS

12A : TRADE PAYABLES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Covered under Micro, Small and Medium Enterprises Development Act, 2006	333.24	201.70	77.06	57.07	57.92	26.53
Other payables	2,506.52	2,240.66	1,863.06	2,017.94	1,414.50	998.14
TOTAL	2,839.76	2,442.36	1,940.12	2,075.01	1,472.42	1,024.67

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 12 (contd.)

12B: OTHER CURRENT LIABILITIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Current Maturities of Long Term Debt	238.90	292.02	414.69	389.66	334.60	291.03
Expenses Payable	213.75	77.45	57.45	43.56	63.88	28.53
TDS Payable	9.24	12.76	17.98	10.35	11.54	9.87
Service Tax Payable	7.20	1.00	1.73	1.74	0.01	0.07
VAT Payable	53.08	18.37	12.55	11.35	7.53	6.10
Contribution to PF/ESI	4.65	2.23	1.88	1.69	1.49	1.27
TOTAL	526.82	403.83	506.28	458.35	419.05	336.87

12C: SHORT TERM PROVISIONS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Provisions for Employee Benefits:						
Provision for Gratuity	3.32	2.46	2.34	1.79	-	-
Provision for Leave Encashment	21.44	20.10	11.30	20.61	11.60	8.85
Other Provisions :						
Proposed for Equity Dividend	1.86	1.86	1.86	1.86	3.60	26.97
Provision for Tax on Proposed Dividend	0.38	0.38	0.32	0.30	0.58	4.38
Provision for Warranties	46.21	47.68	46.80	36.77	31.54	30.54
Provision for Income Tax	47.87	92.00	79.82	84.22	78.39	95.98
TOTAL	121.08	164.48	142.44	145.55	125.71	166.72

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 13

RESTATED CONSOLIDATED STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the six months ended 30.09.2015

(INR in Million)

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2015	Additions	Adjust	Set off from Retained Earning	As at 30.09.2015	As at 01.04.2015	For the Year	Adjust	Upto 30.09.2015	As on 30.09.2015	As on 31.03.2015
(A) TANGIBLE ASSETS :											
Freehold Land	536.18	-	-	-	536.18	-	-	-	-	536.18	536.18
Building	1,062.49	7.62	-	-	1,070.11	78.00	16.86	-	94.86	975.25	984.49
Plant & Machinery	1,904.68	357.62	0.02	-	2,262.28	473.15	64.83	-	537.98	1,724.30	1,431.53
Furniture & Fixtures	53.68	1.54	-	-	55.22	23.82	2.49	-	26.31	28.91	29.86
Office Equipments	111.14	3.55	(0.02)	-	114.71	53.21	2.43	-	55.64	59.07	57.93
Vehicles	46.85	-	-	-	46.85	18.86	3.06	-	21.92	24.93	27.99
Total	3,715.02	370.33	-	-	4,085.35	647.04	89.67	-	736.71	3,348.64	3,067.98
(B) INTANGIBLE ASSETS :											
Software	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
Total	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
(C) CAPITAL WORK IN PROGRESS:											
Machinery	-	12.99	-	-	12.99	-	-	-	-	12.99	-
Building	-	-	-	-	-	-	-	-	-	-	-
Total	-	12.99	-	-	12.99	-	-	-	-	12.99	-

For the Year ended 31.03.2015

(INR in Million)

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2014	Additions	Adjust	Set off from Retained Earning	As at 31.03.2015	As at 01.04.2014	For the Year	Adjust	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
(A) TANGIBLE ASSETS :											
Freehold Land	536.18	-	-	-	536.18	-	-	-	-	536.18	536.18
Building	721.42	349.54	-	8.47	1,062.49	52.30	25.70	-	78.00	984.49	669.12
Plant & Machinery	1,796.71	357.45	0.20	249.28	1,904.68	351.68	121.67	0.20	473.15	1,431.53	1,445.03
Furniture & Fixtures	45.39	8.68	0.01	0.38	53.68	19.18	4.65	0.01	23.82	29.86	26.21
Office Equipments	111.44	2.88	0.01	3.17	111.14	49.44	3.78	0.01	53.21	57.93	62.00
Vehicles	46.92	2.55	2.59	0.03	46.85	14.14	6.23	1.51	18.86	27.99	32.78
Total	3,258.06	721.10	2.81	261.33	3,715.02	486.74	162.03	1.73	647.04	3,067.98	2,771.32
(B) INTANGIBLE ASSETS :											
Software	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
Total	12.82	-	-	-	12.82	12.82	-	-	12.82	-	-
(C) CAPITAL WORK IN PROGRESS :											
Machinery	10.11	-	10.11	-	-	-	-	-	-	-	10.11
Building	280.23	-	280.23	-	-	-	-	-	-	-	280.23
Total	290.34	-	290.34	-	-	-	-	-	-	-	290.34

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 13 (contd.)

RESTATED CONSOLIDATED STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the Year ended 31.03.2014

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions	Adjust	As at 31.03.2014	As at 01.04.2013	For the Year	Adjust	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	419.45	301.97	-	721.42	35.84	16.46	-	52.30	669.12	383.61
Plant & Machinery	1,339.77	457.04	0.10	1,796.71	243.75	107.97	0.04	351.68	1,445.03	1,096.02
Furniture & Fixtures	41.40	3.99	-	45.39	16.70	2.48	-	19.18	26.21	24.70
Office Equipments	105.29	6.15	-	111.44	48.81	0.63	-	49.44	62.00	56.48
Vehicles	46.58	7.30	6.96	46.92	13.50	4.15	3.51	14.14	32.78	33.08
Total	2,488.67	776.45	7.06	3,258.06	358.60	131.69	3.55	486.74	2,771.32	2,130.07
(B) INTANGIBLE ASSETS :										
Software	12.82	-	-	12.82	11.62	1.20	-	12.82	-	1.20
Total	12.82	-	-	12.82	11.62	1.20	-	12.82	-	1.20
(C) CAPITAL WORK IN PROGRESS :										
Machinery	29.68	89.74	109.31	10.11	-	-	-	-	10.11	29.68
Building	497.46	315.25	532.48	280.23	-	-	-	-	280.23	497.46
Total	527.14	404.99	641.79	290.34	-	-	-	-	290.34	527.14

For the Year ended 31.03.2013

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Additions	Adjust	As at 31.03.2013	As at 01.04.2012	For the Year	Adjust	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	170.53	248.92	-	419.45	29.42	6.42	-	35.84	383.61	141.11
Plant & Machinery	1,112.12	228.31	0.66	1,339.77	154.40	89.46	0.11	243.75	1,096.02	957.72
Furniture & Fixtures	36.55	4.85	-	41.40	11.67	5.03	-	16.70	24.70	24.88
Office Equipments	94.31	10.98	-	105.29	41.03	7.78	-	48.81	56.48	53.28
Vehicles	43.54	4.24	1.20	46.58	10.07	3.99	0.56	13.50	33.08	33.47
Total	1,993.23	497.30	1.86	2,488.67	246.59	112.68	0.67	358.60	2,130.07	1,746.64
(B) INTANGIBLE ASSETS :										
Software	10.80	2.02	-	12.82	10.80	0.82	-	11.62	1.20	-
Total	10.80	2.02	-	12.82	10.80	0.82	-	11.62	1.20	-
(C) CAPITAL WORK IN PROGRESS :										
Machinery	16.45	15.86	2.63	29.68	-	-	-	-	29.68	16.45
Building	640.94	0.71	144.19	497.46	-	-	-	-	497.46	640.94
Total	657.39	16.57	146.82	527.14	-	-	-	-	527.14	657.39

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 13 (contd.)

RESTATED CONSOLIDATED STATEMENT OF TANGIBLE ASSETS / INTANGIBLE ASSETS / CAPITAL WORK IN PROGRESS

For the Year ended 31.03.2012

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions	Adjust	As at 31.03.2012	As at 01.04.2011	For the Year	Adjust	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
(A) TANGIBLE ASSETS :										
Freehold Land	536.18	-	-	536.18	-	-	-	-	536.18	536.18
Building	156.78	13.75	-	170.53	23.95	5.47	-	29.42	141.11	132.83
Plant & Machinery	615.33	499.43	2.64	1,112.12	108.48	46.80	0.88	154.40	957.72	506.85
Furniture & Fixtures	25.46	11.21	0.12	36.55	8.21	3.49	0.03	11.67	24.88	17.25
Office Equipments	78.67	15.77	0.13	94.31	33.59	7.48	0.04	41.03	53.28	45.08
Vehicles	40.17	11.50	8.13	43.54	9.69	3.70	3.32	10.07	33.47	30.48
Total	1,452.59	551.66	11.02	1,993.23	183.92	66.94	4.27	246.59	1,746.64	1,268.67
(B) INTANGIBLE ASSETS :										
Software	10.80	-	-	10.80	10.80	-	-	10.80	-	-
Total	10.80	-	-	10.80	10.80	-	-	10.80	-	-
(C) CAPITAL WORK IN PROGRESS :										
Capital Work in Progress	720.92	272.81	336.34	657.39	-	-	-	-	657.39	720.92
Total	720.92	272.81	336.34	657.39	-	-	-	-	657.39	720.92

For the Year ended 31.03.2011

(INR in Million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions	Adjust	As at 31.03.2011	As at 01.04.2010	For the Year	Adjust	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
(A) TANGIBLE ASSETS :										
Freehold Land	383.74	152.44	-	536.18	-	-	-	-	536.18	383.74
Building	154.84	1.94	-	156.78	18.76	5.19	-	23.95	132.83	136.08
Plant & Machinery	605.42	88.69	0.11	694.00	104.01	38.08	0.02	142.07	551.93	501.41
Furniture & Fixtures	22.50	2.96	-	25.46	6.63	1.58	-	8.21	17.25	15.87
Vehicles	30.09	10.89	0.81	40.17	7.05	2.99	0.35	9.69	30.48	23.04
Total	1,196.59	256.92	0.92	1,452.59	136.45	47.84	0.37	183.92	1,268.67	1,060.14
(B) INTANGIBLE ASSETS :										
Software	10.80	-	-	10.80	7.50	3.30	-	10.80	-	3.30
Total	10.80	-	-	10.80	7.50	3.30	-	10.80	-	3.30
(C) CAPITAL WORK IN PROGRESS :										
Capital Work in Progress	195.52	660.01	134.61	720.92	-	-	-	-	720.92	195.52
Total	195.52	660.01	134.61	720.92	-	-	-	-	720.92	195.52

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 14

RESTATED CONSOLIDATED STATEMENT OF INVESTMENTS

Details of Non-Current Investments are as given below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Non Trade Investments (Valued at Cost)						
Investments in Equity Instruments						
Quoted Non - Trade						
South Asian Entertainment Limited (200 share of Face value Rs. 10 each)	-	0.00	0.00	0.00	0.00	0.00
TV 18 Broadcast Limited (952 shares of Face Value Rs. 2 each)	-	0.33	0.33	0.33	0.33	0.33
Network 18 Media and Investment Limited (782 shares of Face value Rs. 5 each)	-	0.28	0.28	0.28	0.28	0.28
Seamec Limited (1000 shares of Face Value Rs. 10 each)	-	0.01	0.01	0.01	0.01	0.01
Global Trust Bank Limited (3000 shares of Face Value Rs. 10 each)	-	0.04	0.04	0.04	0.04	0.04
Total	-	0.66	0.66	0.66	0.66	0.66
Unquoted Non - Trade						
Investment in Mutual Funds (SBI Horizon Debt Fund)	-	0.01	0.01	0.01	0.01	0.01
Investment in Associates :						
HPL India Limited (75000 shares of Face Value Rs. 10 each)	-	150.00	150.00	150.00	150.00	150.00
Himachal Energy Private Limited (1,50,00,000 optionally convertible debentures Face value of Rs. 10/- each)	540.00	-	-	-	-	-
Total	540.00	150.01	150.01	150.01	150.01	150.01
Aggregate Total	540.00	150.67	150.67	150.67	150.67	150.67
Additional Disclosure :						
Aggregate Amount of Quoted Investment	-	0.66	0.66	0.66	0.66	0.66
Market Value of Quoted Investment	-	0.16	0.18	0.11	0.15	0.30
Aggregate Amount of Unquoted Investment	-	150.01	150.01	150.01	150.01	150.01

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 15

RESTATED CONSOLIDATED STATEMENT OF LONG TERM LOANS AND ADVANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Security Deposits (considered good)	18.04	13.62	14.87	7.89	10.65	10.26
Capital Advances to associate companies	130.84	-	-	-	-	-
Capital Advances to others	-	-	-	3.56	3.27	4.69
Total	148.88	13.62	14.87	11.45	13.92	14.95

Annexure - 16

RESTATED CONSOLIDATED STATEMENT OF INVENTORIES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
a. Raw Material and components						
(i) In Hand	1,202.06	1,075.70	844.77	1,023.02	828.98	614.82
(i) Material in Transit	19.12	22.58	14.35	14.17	11.71	10.02
b. Work - In - Progress	619.17	993.63	815.10	791.81	787.52	472.20
c. Finished goods	1,014.73	966.92	859.65	777.55	476.49	281.82
d. Stores Spares & Consumables	3.00	3.11	2.67	6.08	2.69	1.83
e. Project-Inventories	16.47	22.23	65.79	29.47	4.73	-
Total	2,874.55	3,084.17	2,602.33	2,642.10	2,112.12	1,380.69

Details of Raw Materials

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Copper	19.69	56.32	27.95	36.56	44.68	6.73
Electronic Components	448.55	407.12	382.00	479.24	362.52	258.37
Engineering Plastic	177.92	123.43	96.90	81.86	111.78	111.88
Packing	34.15	34.12	27.77	35.41	30.62	12.47
Others	540.87	477.29	324.50	404.12	291.09	235.39
Total	1,221.18	1,098.28	859.12	1,037.19	840.69	624.84

Details of Work in Progress

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	333.83	577.14	442.19	499.88	424.94	242.83
Switchgear	140.72	196.44	184.33	177.21	156.56	47.86
Wires & Cables	37.20	76.65	58.70	76.01	73.45	88.55
Lighting	107.42	143.40	129.88	38.71	132.57	92.96
Total	619.17	993.63	815.10	791.81	787.52	472.20

HPL ELECTRIC & POWER LIMITED

(Formerly HPL Electric & Power Private Limited)

Annexure - 16 (contd.)**Details of Finished Goods (Manufactured)**

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	10.99	9.78	8.13	100.99	35.30	29.84
Switchgear	278.57	478.23	481.68	277.65	204.45	76.50
Wires & Cables	284.82	216.52	187.45	166.86	93.69	69.65
Lighting	440.35	262.39	182.39	232.05	143.05	105.83
Total	1,014.73	966.92	859.65	777.55	476.49	281.82

Details of Store Spares & Consumables

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	1.51	1.56	0.97	1.86	0.74	0.21
Switchgear	0.32	0.23	0.37	1.26	0.40	0.07
Wires & Cables	0.56	0.66	0.56	1.33	0.34	0.12
Lighting	0.61	0.66	0.77	1.63	1.21	1.43
Total:	3.00	3.11	2.67	6.08	2.69	1.83

Annexure - 17**RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES**

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Debts Outstanding for more than six months						
Unsecured and Considered Good	69.37	-	-	-	-	-
Unsecured and Considered Doubtful	36.64	27.03	-	-	28.76	1.64
Other Debts (Out standing for less than six months)						
Unsecured and Considered Good	4,999.54	4,013.92	3,282.06	2,685.32	2,144.92	1,443.34
	5,105.55	4,040.95	3,282.06	2,685.32	2,173.68	1,444.98
Less : Provision for Doubtful Debts	36.64	27.03	-	-	-	-
Total	5,068.91	4,013.92	3,282.06	2,685.32	2,173.68	1,444.98

Details of dues from the related parties are as given below :

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Associate companies						
Himachal Energy Private Limited	363.00	138.95	219.36	112.09	151.57	475.45
HPL India Limited	347.32	125.86	95.93	68.98	(122.39)	0.01
Total	710.32	264.81	315.29	181.07	29.18	475.46

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 18

RESTATED CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Cash and Cash Equivalents :-						
Cash in Hand	28.54	22.26	18.67	2.85	1.56	0.84
Balances with Scheduled Banks:						
In Current Accounts	39.04	66.80	38.82	51.61	30.18	74.03
Other Bank balances :-						
Balance with Banks held as margin money with maturity of more than 3 months but less than 12 months	466.82	455.22	407.39	469.80	440.37	222.49
Total cash and bank balances	534.40	544.28	464.88	524.26	472.11	297.36

Annexure - 19

RESTATED CONSOLIDATED STATEMENT OF SHORT TERM LOANS & ADVANCES AND OTHER CURRENT ASSETS

19A: SHORT TERM LOANS & ADVANCES

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Unsecured Considered Good						
Advance Income Tax	110.39	195.98	143.94	141.03	119.24	112.22
Prepaid Expenses	26.26	32.75	4.91	13.02	14.27	3.05
Balances with Excise Authorities	28.79	76.12	9.93	94.13	82.54	95.80
VAT Recoverable	15.44	17.04	18.62	23.23	14.60	12.33
Advance to Suppliers	179.74	121.35	75.12	102.87	14.18	80.13
Earnest Money Deposit	124.88	92.09	17.94	32.17	104.72	74.78
Total Short Term Loans & Advances	485.50	535.33	270.46	406.45	349.55	378.31

19B: OTHER CURRENT ASSETS

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Unsecured Considered Good						
Duty Drawback Recoverable	0.19	0.21	1.22	0.28	0.30	0.28
Other Recoverable	2.17	6.36	5.58	5.59	4.61	0.76
Insurance Claim Recoverable	4.91	4.85	5.98	2.27	2.30	2.91
Total Other Current Assets	7.27	11.42	12.78	8.14	7.21	3.95

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure – 20

RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Metering	2,655.67	5,027.62	5,266.14	4,898.36	3,913.29	3,462.76
Switch gears	1,040.77	2,462.30	2,438.15	2,069.99	1,600.32	1,146.20
Lighting	1,483.83	2,589.26	1,785.33	1,626.06	1,227.70	789.78
Wires & Cables	887.81	1,492.99	1,692.70	1,407.94	1,107.77	756.45
Project-Income	9.73	20.15	37.55	81.97	55.01	-
Gross Revenue from Operations	6,077.81	11,592.32	11,219.87	10,084.32	7,904.09	6,155.19
Less : Exice Duty Paid	592.33	1,121.05	1,110.42	969.94	691.73	495.78
Net Revenue from Operations	5,485.48	10,471.27	10,109.45	9,114.38	7,212.36	5,659.41

Annexure -21

RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Interest Income:	19.96	38.74	40.87	39.80	30.54	14.02
Other Non Operating Income (net of expenses directly attributable to such income)	2.85	8.53	10.10	3.25	0.66	1.60
Total Other Income	22.81	47.27	50.97	43.05	31.20	15.62

Annexure - 22

RESTATED CONSOLIDATED STATEMENT OF CONSUMPTION OF RAW MATERIAL & OTHER COMPONENTS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Raw Material Consumption						
Indigenous	2,191.85	5,026.54	4,828.50	4,464.79	3,685.99	2,692.38
Imported	1,220.18	2,407.36	2,473.72	2,314.25	1,851.38	1,444.60
Total	3,412.03	7,433.90	7,302.22	6,779.04	5,537.37	4,136.98

Details of Raw Materials Consumed

(INR in Million)

Particulars	As at					
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Copper	644.94	1,163.07	1,340.53	1,158.77	845.16	546.03
Electronic Components	1,810.45	3,126.22	3,266.42	3,029.75	2,765.50	2,003.82
Engineering Plastic	339.71	799.44	751.72	703.83	680.96	553.59
Packing	106.42	211.36	197.23	188.95	150.54	62.72
Others	503.86	2,131.09	1,734.73	1,655.69	1,057.88	970.82
Project-Raw Material	6.65	2.72	11.59	42.05	37.33	-
Total	3,412.03	7,433.90	7,302.22	6,779.04	5,537.37	4,136.98

HPL ELECTRIC & POWER LIMITED
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Annexure - 23

RESTATED CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A : Inventories (at Close)						
Finished Goods	1,014.73	966.92	859.65	777.55	476.49	281.82
Work in Progress	619.17	993.63	815.10	791.81	787.52	472.20
Total	1,633.90	1,960.55	1,674.75	1,569.36	1,264.01	754.02
B : Inventories (at Opening)						
Finished Goods	966.92	859.65	777.55	476.49	281.82	232.21
Work in Progress	993.63	815.10	791.81	787.52	472.20	252.91
Total	1,960.55	1,674.75	1,569.36	1,264.01	754.02	485.12
Net Changes In Finished Goods & Work in Progress (B-A)	326.65	(285.80)	(105.39)	(305.35)	(509.99)	(268.90)

Annexure - 24

RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Salaries, Wages and Bonus	384.32	625.82	530.44	501.30	437.02	308.79
Contributions to Provident and Other Funds	8.61	12.48	10.43	9.60	14.51	11.52
Staff Welfare Expenses	17.65	38.09	35.65	28.27	27.44	17.72
Total Employee Benefits	410.58	676.39	576.52	539.17	478.97	338.03

Annexure - 25

RESTATED CONSOLIDATED STATEMENT OF FINANCE COSTS

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Interest Expenses	339.13	630.55	532.63	567.35	374.27	175.88
Other Borrowing Cost- Bank Charges	38.17	68.72	60.06	49.72	38.59	34.11
Total Finance Costs	377.30	699.27	592.69	617.07	412.86	209.99

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Annexure - 26

RESTATED CONSOLIDATED STATEMENT OF DEPRECIATION EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Depreciation on Tangible Assets	89.67	162.03	131.69	112.68	66.94	47.84
Depreciation on Intangible Assets	-	-	1.20	0.82	-	3.30
Total :	89.67	162.03	132.89	113.50	66.94	51.14

Annexure - 27

RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES

(INR in Million)

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Consumption of Stores & Spare Parts	1.84	4.44	5.19	3.66	4.51	7.09
Power & Fuel	75.17	120.84	131.46	103.63	84.07	62.85
Rent	17.60	32.20	21.15	21.65	30.39	38.26
Repairs to Buildings	1.29	5.23	2.59	3.15	3.12	0.82
Repairs To Machinery	10.97	14.84	13.92	8.33	7.64	4.54
Research & development expenses	33.03	61.29	67.37	60.03	36.84	26.47
Meter Installation Expenses	16.72	14.79	46.59	28.24	1.49	0.98
Testing Expenses	25.17	21.61	21.67	14.14	20.21	17.02
Rates & Taxes excluding taxes on Income	2.06	12.17	30.69	24.38	6.69	7.18
Legal and Professional Fees	11.16	19.52	20.24	14.01	13.57	16.83
Travelling & Conveyance	62.44	114.31	122.02	103.59	77.69	40.93
Communication Expenses	6.10	7.97	6.88	7.59	8.55	6.93
Printing & Stationery	3.59	6.39	4.54	4.44	4.77	4.73
Repairs and Maintenance - Others	14.40	30.27	26.00	21.95	19.84	10.87
Insurance	8.47	10.59	8.89	9.08	6.82	4.65
Membership & Subscription	0.45	1.08	0.84	1.51	4.81	0.76
Selling & Distribution Expenses	358.68	880.08	718.78	542.80	526.46	462.82
Loss on sale of Fixed Assets	-	0.12	1.47	0.67	3.61	0.28
Donation	2.58	3.34	3.22	3.05	0.14	5.06
Audit Expenses	0.25	0.41	0.41	0.49	0.56	0.10
Miscellaneous Expenses	0.49	1.76	0.90	0.59	0.89	0.43
Product Warranty Claim (refer note (iv) as per Annexure -6)	20.00	30.00	30.00	20.00	15.00	15.00
Total Other Expenses	672.46	1,393.25	1,284.82	996.98	877.67	734.60

HPL ELECTRIC & POWER LIMITED

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Annexure - 28**RESTATED CONSOLIDATED STATEMENT OF DIVIDENDS****(INR in Million)**

Particulars	Six months ended 30.09.2015	Year ended				
		31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Dividend Paid	-	-	1.86	1.86	3.60	26.97
Dividend Rate	-	1%	1%	1%	2%	15%

HPL ELECTRIC & POWER LIMITED
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Annexure - 29

RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

I. Earning Per Share

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Restated Earnings attributable to equity shareholders (INR in Million)	163.48	346.24	283.71	314.18	283.87	372.53
B	Weighted Average No. of Equity Shares (Basic) (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
C	Weighted Average No. of Equity Shares (Diluted) (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,161,583	44,949,199	43,949,199
D	Earning Per Share - Basic (Post-bonus issue) (A/B)	3.52	7.46	6.11	6.81	6.32	8.48
E	Earning Per Share-Diluted (Post-bonus issue) (A/C)	3.52	7.46	6.11	6.81	6.32	8.48
F	Weighted Average No. of Equity Shares (Basic) (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
G	Weighted Average No. of Equity Shares (Diluted) (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,304,063	17,979,679	16,979,679
H	Earning Per Share - Basic (Pre-bonus issue) (A/F)	8.80	18.64	15.28	17.16	15.79	21.94
I.	Earning Per Share-Diluted (Pre-bonus issue) (A/G)	8.80	18.64	15.28	17.16	15.79	21.94

* The earning considered in ascertaining the Company's Earning Per Share (EPS) comprise of Net Profit After Tax.

II. Return on Net worth (%)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Restated Profits after tax (INR in Million)	163.48	346.24	283.71	314.18	283.87	372.53
B	Net Worth	3,345.48	3,182.00	3,099.33	2,817.80	2,409.88	2,130.19
C	Return on Net Worth (%) (A/B)	4.89%	10.88%	9.15%	11.15%	11.78%	17.49%

II. Net Asset Value per Share

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
A	Net Worth (INR in Million)	3,345.48	3,182.00	3,099.33	2,817.80	2,409.88	2,130.19
B	No. of Equity Shares outstanding at the end of the period / year (Post-bonus issue)	46,429,199	46,429,199	46,429,199	46,429,199	44,949,199	44,949,199
C	Net Asset Value per share (Post-bonus issue) (A/B)	72.06	68.53	66.75	60.69	53.61	47.39
D	No. of Equity Shares outstanding at the end of the period / year (Pre-bonus issue)	18,571,679	18,571,679	18,571,679	18,571,679	17,979,679	17,979,679
E	Net Asset Value per share (Pre-bonus issue) (A/D)	180.14	171.34	166.88	151.73	134.03	118.48

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Annexure - 29 (Cont..)

Notes:

- 1 Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015.

- 2 The above Ratios have been calculated as follows:

$$(a) \text{ Earnings per Share (INR)} = \frac{\text{Net Profit after tax (as restated) attributable to equity shareholders}}{\text{Weighted Average number of equity shares outstanding during the period / year}}$$

$$(b) \text{ Return on Net Worth (\%)} = \frac{\text{Net Profit after tax (as restated) attributable to equity shareholders}}{\text{Net worth at the end of the year/period excluding revaluation reserve}}$$

$$(c) \text{ Net Asset Value Per Share (INR)} = \frac{\text{Net worth at the end of the year/period excluding revaluation reserve}}{\text{Total Number of equity shares outstanding at the end of the year/period}}$$

- 3 Net worth has arrived by aggregating Equity Share Capital plus Reserves and Surplus (excluding revaluation reserve if any) less Miscellaneous Expenditure to the extent not written off.

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Annexure - 30

RESTATED CONSOLIDATED CAPITALISATION STATEMENT

(INR in Million)

S. No.	Particulars	Pre-Issue as at September 30, 2015	Post-Issue *
	Borrowings:		
(a)	Long Term Debt	1,070.49	[.]
(b)	Short Term Debt	4,948.19	[.]
(c)	Total Debt	6,018.68	
	Shareholders' Funds:		
	Equity Share Capital	185.72	[.]
	Reserves and Surplus	3,159.76	[.]
(d)	Total Shareholders' Funds / Equity	3,345.48	
	Long-Term Debt / Equity (a / d)	0.32	[.]
	Total Debt / Equity (c / d)	1.80	[.]

Note :

- The above ratios has been computed on the basis of the Restated Consolidated Summary Statement of Assets & Liabilities as of 30th September , 2015.
- The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.
- Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to Rs. 278,575,200/- comprising 27,857,520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares were allotted on 16th November 2015. The impact of this has not been considered in the above capitalisation statement.

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Annexure - 31

RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS

Information regarding parties & transactions, if any, with them as per AS-18 as notified in Section 133 of Companies Act, 2013 read with Companies (accounts) rule, 2014 are as given below :

A. Name of Related Parties and their description of Relationship in the respective years are as given below :

Nature of Relationship	Name of Related Parties				
	For the six months ended 30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012
KEY MANAGEMEN T PERSONNEL	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth	Mr. Lalit Seth
	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth	Mr. Rishi Seth
	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth	Mr. Gautam Seth
	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain	Mr. C.P. Jain
RELATIVE OF KEY MANAGEMEN T PERSONNEL	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth	Mrs. Praveen Seth
	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth	Mrs. Pooja Seth
	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth	Mrs. Vani Seth
	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited	Himachal Energy Private Limited
ASSOCIATES	HPL India Limited	HPL India Limited	HPL India Limited	HPL India Limited	HPL India Limited
	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited	LK HPL Private Limited
	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited	HPL Power Corporation Private Limited
	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited	Havell's Electronics Private Limited
	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited	Amerex India Private Limited
	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited	Jesons Impex Private Limited
	Amerex Private Limited.	Amerex Private Limited.	Amerex Private Limited.	-	-
	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited	Havell's Private Limited
	HPL Projects Portfolio Private Limited	-	-	-	-

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Annexure - 31 (contd.)

B. Summary of Transactions with the above states Related Parties in the respective years are as given below :

(INR in Million)

S. No.	Name of Transactions	Six Month ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	PURCHASE OF GOODS						
a)	Associates Companies						
	Himachal Energy Private Limited	-	1.65	8.84	1.64	136.01	130.33
	HPL India Limited	-	-	-	4.40	154.14	1.79
2	SALE OF GOODS						
a)	Associates Companies						
	Himachal Energy Private Limited	127.01	470.14	342.35	298.67	247.08	551.20
	Amerex Private Limited	1.08	-	-	-	-	-
	HPL India Limited	0.12	3.41	-	22.30	96.45	33.48
3	RECEIVING OF SERVICES						
a)	Associates Companies						
	HPL India Limited	180.00	480.00	444.00	341.00	341.00	337.00
4	PURCHASE OF FIXED ASSETS						
a)	Associates Companies						
	Havell's Electronics Private Limited	-	34.40	-	-	-	-
	Himachal Energy Private Limited	117.78	-	-	-	-	-
5	SALE OF ASSETS AT BOOK VALUE						
a)	Associates Companies						
	Himachal Energy Private Limited	850.67	-	-	-	-	-
6	ASIGNMENT OF RECEIVABLES GIVEN AT BOOK VALUE	-	-	-	-	-	-
a)	Associates Companies						
	HPL India Limited	347.20	-	-	-	-	-
7	SALE OF INVESTMENTS AT BOOK VALUE						
a)	Associates Companies						
	Himachal Energy Private Limited	150.00	-	-	-	-	-
8	LONG TERM ADVANCES PAID FOR SUPPLY OF DESIGN						
a)	Associates Companies						
	HPL India Limited	130.84	-	-	-	-	-
9	DIRECTOR'S REMUNARATION PAID						
a)	Key Managerial Persons						
	Mr. Lalit Seth	18.04	36.09	37.59	37.59	37.82	37.78
	Mr. Rishi Seth	7.54	15.09	15.72	15.72	15.81	15.77
	Mr. Gautam Seth	7.54	15.09	15.72	15.72	15.81	15.77
	Mr. C.P. Jain	6.37	10.95	9.85	9.27	8.16	7.03

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Annexure - 31 (contd.)

(INR in Million)

S. No.	Name of Transactions	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
10	RENT PAID						
a)	Key Managerial Persons						
	Mr. Lalit Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mr. Rishi Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mr. Gautam Seth	1.80	3.60	3.60	3.62	3.00	3.00
b)	Relatives of Key Managerial Persons						
	Mrs. Praveen Seth	1.80	3.60	3.60	3.62	3.00	3.00
	Mrs. Pooja Seth	0.30	0.60	0.60	0.62	-	-
	Mrs. Vani Seth	0.30	0.60	0.60	0.62	-	-

C. Summary of Outstanding Balances with the above states Related Parties for the respective years are as given below :

(INR in Million)

S. No.	Name of Transactions	As at					
		30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	LONG TERM ADVANCES						
a)	Associates Companies						
	1. HPL India Limited	130.84	-	-	-	-	-
2	NON CURRENT INVESTMENT						
a)	Associates Companies						
	1. HPL India Limited	-	150.00	150.00	150.00	150.00	150.00
	2. Himachal Energy Private Limited	540.00	-	-	-	-	-
3	TRADE RECEIVABLES						
a)	Associates Companies						
	1. Himachal Energy Private Limited	363.00	138.95	219.36	112.09	151.57	475.45
	2. HPL India Limited	347.32	125.86	95.93	68.98	(122.39)	0.01

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Annexure - 32

RESTATED CONSOLIDATED STATEMENT OF SEGMENTAL REPORTING DISCLOSURE

The segment reporting of the Company has been prepared in accordance with the Accounting Standard (AS-17), as issued by The Institute of Chartered Accountant of India. The Company has identified Business Segment as its Primary Segment and Geographic Segment as its Secondary Segment. The Company has identified four reportable segments for its Primary Segment on the basis of the nature of products, the risk return profile of individual business and the internal business reporting systems and two reportable Segment for its Geographical Segment. These are Metering, Switchgears, Lighting and Wires & Cables for Primary Segment and Domestic Market and Overseas Market for Geographical Segment for the period ended 30th September 2015, and financial years ended as on 31st March 2015, 2014, 2013, 2012 and 2011.

Revenue and Expenses have been identified to a Segment is on the basis of relationship to operating activities of the Segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a Segment on reasonable basis have been disclosed as "Unallocated". Segment Assets and Liabilities represents respective Assets & Liabilities for each reportable Segment. Investment, Tax Related Assets and Other Assets and Similar Liabilities which cannot be allocated to a reportable Segment on reasonable basis have been disclosed as "Unallocated". The analysis of Geographical Segment is based on geographical location of the Customers.

Details of transactions as per the requirement of Segmental Reporting Disclosure are as given below :

(INR in Million)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
1	PRIMARY BUSINESS SEGMENT						
(a)	Segment Revenue (Gross)						
	Metering	2,655.67	5,027.62	5,266.14	4,898.36	3,913.29	3,462.76
	Switchgear	1,040.77	2,462.30	2,438.15	2,069.99	1,600.32	1,146.20
	Lighting	1,483.83	2,589.26	1,785.33	1,626.06	1,227.70	789.78
	Wires & Cables	887.81	1,492.99	1,692.70	1,407.94	1,107.77	756.45
	Project-Revenue	9.73	20.15	37.55	81.97	55.01	-
	Total	6,077.81	11,592.32	11,219.87	10,084.32	7,904.09	6,155.19
(b)	Results (Net)						
	Metering	430.52	715.53	782.33	898.11	772.99	852.59
	Switchgear	197.03	467.98	564.34	504.20	383.57	285.28
	Lighting	284.30	504.13	216.73	199.24	163.42	97.43
	Wires & Cables	46.37	83.37	80.79	68.10	53.02	24.59
	Project-Income	(4.69)	1.81	(1.80)	0.04	(3.70)	-
	Sub Total	953.53	1,772.82	1,642.39	1,669.69	1,369.30	1,259.89
	Less : Unallocated expenses net of Income	356.63	634.05	673.03	635.60	576.70	576.71
	Operating profit	596.90	1,138.77	969.36	1,034.09	792.60	683.18
	Less : Interest Expenses	377.30	699.27	592.69	617.07	412.86	209.99
	Profit before tax	219.60	439.50	376.67	417.02	379.74	473.19
	Less : Tax Expenses	56.12	93.26	92.96	102.84	95.87	100.66
	Profit after Tax	163.48	346.24	283.71	314.18	283.87	372.53
(c)	Other Information						
(i)	Capital Expenditure						
	Metering	284.28	205.27	148.98	237.34	163.11	19.97
	Switchgear	87.38	216.95	208.94	119.88	120.03	8.32
	Lighting	5.19	3.17	5.62	6.91	9.29	12.15
	Wires & Cables	6.48	5.36	175.69	4.09	2.35	12.42
	Unallocated	-	-	0.42	0.86	193.36	484.17
	Total	383.33	430.75	539.65	369.08	488.14	537.03
(ii)	Depreciation						
	Metering	41.37	80.22	86.14	73.63	27.83	22.70
	Switchgear	26.69	47.19	22.42	15.82	15.36	7.77
	Lighting	11.60	23.17	18.54	18.42	18.18	15.67
	Wires & Cables	10.01	11.45	5.79	5.63	5.57	5.00
	Total	89.67	162.03	132.89	113.50	66.94	51.14

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Annexure - 32 (contd.)

(INR in Million)

S. No.	Particulars	Six months ended 30.09.2015	Year ended				
			31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
(iii)	Segment Assets						
	Metering	5,773.63	4,934.28	4,268.71	3,897.58	3,367.39	2,608.87
	Switchgear	2,813.42	2,592.71	2,544.94	2,389.33	1,909.25	1,196.65
	Lighting	2,460.80	2,347.20	1,473.74	1,552.20	1,521.63	1,069.82
	Wires & Cables	1,281.94	1,156.29	1,190.94	894.55	600.34	522.27
	Unallocated	647.54	343.99	291.70	288.43	268.57	262.89
	Project	43.81	46.92	89.68	64.71	16.11	-
	Total	13,021.14	11,421.39	9,859.71	9,086.80	7,683.29	5,660.50
(iv)	Segment Liabilities						
	Metering	1,960.81	1,286.27	1,084.54	1,336.75	1,217.60	575.01
	Switchgear	626.36	775.83	592.60	572.42	462.17	215.49
	Lighting	270.94	243.48	160.52	240.90	229.21	132.63
	Wires & Cables	369.81	285.19	218.12	176.31	111.24	24.95
	Unallocated	6,442.25	5,638.56	4,694.11	3,923.25	3,244.25	2,582.23
	Project	5.49	10.06	10.49	19.37	8.94	-
	Total	9,675.66	8,239.39	6,760.38	6,269.00	5,273.41	3,530.31
2	SECONADRY GEOGRAPHICAL SEGMENT						
(a)	Segment Revenue						
	Domestic Market	5,991.85	11,289.35	10,925.18	9,860.61	7,889.71	6,095.69
	Overseas Market	85.96	302.97	294.69	223.71	14.38	59.50
	Total	6,077.81	11,592.32	11,219.87	10,084.32	7,904.09	6,155.19

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Annexure - 33

ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

(INR in Million)

Name of the Joint Ventures	Net Assets i.e. total assets minus total liabilities as at September 30, 2015		Share in profit or loss for the six months ended on September 30, 2015	
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount
HPL Electric & Power Private Limited-Trimurthi Hitech Co. Private Limited- Shriji Designs (JV)	0.95	31.72	(0.85)	(1.39)
HPL Electric & Power Private Limited-Shriji Designs (JV)	0.20	6.60	(2.02)	(3.30)

SAHNI MEHRA & CO.
Chartered Accountants
73, SUNDER NAGAR, NEW DELHI-110003
Telephone No. 011-26142750/26142304

Independent Auditors' Report on Proforma Summary Statements in connection with the Initial Public Offer of HPL Electric & Power Limited (formerly HPL Electric & Power Private Limited)

The Board of Directors
HPL Electric & Power Limited
(Formerly HPL Electric & Power Private Limited)
(CIN No. U74899DL1992PLC048945)
1/21, Asaf Ali Road,
New Delhi – 110 002

Dear Sirs,

- 1 This report is issued in accordance with the terms of our engagement letter dated October 10, 2015.
- 2 The accompanying proforma summary statements of HPL Electric & Power Limited formerly HPL Electric & Power Private Limited (hereinafter referred to as the "Company") comprising of the Restated Consolidated Proforma Balance Sheet as at March 31, 2015 and September 30, 2015 and the Restated Consolidated Proforma Summary Statement of Profit and Loss for the year ended March 31, 2015 and six months ended September 30, 2015, read with the notes thereto, have been prepared by the Management of the Company in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of (i) proposed demerger as per the Scheme of arrangement filed with Hon'ble High Court of Himachal Pradesh, Shimla and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares and as further set out in the basis of preparation paragraph included in the attached notes to the proforma summary statements, which is initialed and stamped by us for identification purposes only.
- 3 We have examined the proforma summary statements. For our examination, we have placed reliance on the following :
 - a) The restated consolidated financial information of the Company for the year ended March 31, 2015 and six months ended September 30, 2015 on which we have expressed an unmodified opinion in our reports dated December 24, 2015; and
 - b) The audited standalone financial statements of Himachal Energy Private Limited for the year ended March 31, 2015 and six months ended September 30, 2015 on which we have expressed unmodified audit opinion dated December 24, 2015.
- 4 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the proforma summary statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the proforma summary statements.

Managements' Responsibility for the Proforma Financial Statements

- 5 The preparation of the proforma summary statements, which is to be included in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offer (IPO), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors") in their meeting dated December 24, 2015. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the proforma summary statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

- 6 Pursuant to the requirement of the SEBI Issue of Capital and Disclosure Requirements Regulations, 2009, it is our responsibility to express an opinion on whether the proforma summary statements of the Company for the year ended March 31, 2015 and six months ended September 30, 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the proforma summary statements.
- 7 We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
- 8 The purpose of the proforma summary statements during the year ended March 31, 2015 and six months ended September 30, 2015 is to reflect the impact of (i) proposed demerger as per the Scheme of arrangement filed with Hon'ble High Court of Himachal Pradesh, Shimla and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares, as set out in the basis of preparation paragraph included in the attached notes to the proforma summary statements and solely to illustrate the impact of a significant event on the historical financial information of the Company, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgement and assumptions of the Management of the Company to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of :
 - a) The consolidated financial position of the Company as at March 31, 2015 and September 30, 2015 or any future date; or
 - b) The consolidated results of the Company for the year ended March 31, 2015 and September 30, 2015 or any future periods.
- 9 Our work consisted primarily of comparing the respective columns in the proforma summary statements to the underlying restated financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting, the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of proforma summary statements as explained in the attached notes to the proforma summary statements provide a reasonable basis for the presenting the significant effects directly attributable to the (i) proposed demerger as per the Scheme of arrangement filed with Hon'ble High Court of Himachal Pradesh, Shimla and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares and discussing the proforma summary statements with the Management of the Company.
- 10 We have not audited any financial statements of the Company for any period subsequent to September 30, 2015. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company for any period subsequent to September 30, 2015.
- 11 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12 We have planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.
- 13 This engagement did not involve independent examination of any of the underlying financial information.
- 14 We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

- 15 In our opinion the proforma summary statements of the Company for the year ended March 31, 2015 and for six months ended September 30, 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the proforma statements.

Restrictions on Use

- 16 This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") prepared in connection with its proposed Initial Public Offer (IPO) of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Firm Registration Number: 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. 009246

Place :New Delhi
Date :December 24, 2015

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

RESTATED CONSOLIDATED PROFORMA BALANCE SHEET

(INR in Million)

	Particulars	As at 30.09.2015				Notes No.	As at 31.03.2015				Notes No.
		The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjustments	Proforma Consolidated		The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjustments	Proforma Consolidated	
1	Equity & Liabilities										
	Shareholder's Funds										
	Equity Shares	185.72	154.40	(154.40)	185.72	5	185.72	154.40	(154.40)	185.72	5
	10% CCR Preference Share	-	110.00	(110.00)	-	5	-	110.00	(110.00)	-	5
	Reserve & Surplus	3,159.76	269.66	(234.24)	3,195.18	6	2,996.28	213.14	(213.14)	2,996.28	5
	Minority Interest	-		122.08	122.08	3	-	-	120.47	120.47	3
2	Non Current Liabilities										
	Long Term Borrowings	831.59	-	-	831.59		953.67	-	-	953.67	
	Deferred Tax Liabilities (Net)	197.67	-	-	197.67		185.28	-	-	185.28	
	Other Long Term Liabilities	183.81	-	-	183.81		175.12	-	-	175.12	
	Long Term Provisions	26.74	2.31	-	29.05		15.97	1.72	-	17.69	
3	Current Liabilities										
	Short Term Borrowings	4,948.19	377.07	-	5,325.26		3,898.68	346.98	-	4,245.66	
	Trade Payables	2,839.76	188.09	(73.00)	2,954.85	4	2,442.36	465.47	(309.62)	2,598.21	4
	Other Current Liabilities	526.82	10.31	-	537.13		403.83	11.02	-	414.85	
	Short Term Provisions	121.08	31.32	-	152.40		164.48	41.48	-	205.96	
	TOTAL	13,021.14	1,143.16	(449.56)	13,714.74		11,421.39	1,344.21	(666.69)	12,098.91	
4	Non Current Assets										
	Fixed Assets										
	Tangible Assets	3,348.64	307.35	(19.49)	3,636.50	4	3,067.98	317.59	-	3,385.57	4
	Intangible Assets	-	3.76	-	3.76		-	2.10	-	2.10	
	Capital Work in Progress	12.99	-	-	12.99		-	-	-	-	
	Goodwill on Consolidation	-	-	182.93	182.93	5	-	-	182.93	182.93	5
	Non Current Investments	540.00	-	(540.00)	-	5	150.67	389.33	(540.00)	-	5
	Long Term Loans & Advances	148.88	10.04	-	158.92		13.62	11.93		25.55	
5	Current Assets										
	Inventories	2,874.55	128.69	-	3,003.24		3,084.17	258.90	-	3,343.07	
	Trade Receivables	5,068.91	400.86	(73.00)	5,396.77	4	4,013.92	67.19	(309.62)	3,771.49	4
	Cash & Cash Equivalents	534.40	64.71	-	599.11		544.28	62.66	-	606.94	
	Short Term Loan and Advances	485.50	227.75	-	713.25		535.33	234.51	-	769.84	
	Other Current Assets	7.27	-	-	7.27		11.42	-	-	11.42	
	TOTAL	13,021.14	1,143.16	(449.56)	13,714.74		11,421.39	1,344.21	(666.69)	12,098.91	

Note :

- 1) The above statement should be read with significant accounting policies to Restated Consolidated Proforma Balance Sheet and Statement of Profit and Loss appering in Note 1.

For **SAHNI MEHRA & CO.**

Chartered Accountants

(Firm Registration Number: 000609N)

(Ramesh Sahni)

(Proprietor)

Membership No. 009246

Place: New Delhi

Date: December 24,2015

For and on behalf of the Board of Directors

Lalit Seth

Director

DIN: 00312007

Rishi Seth

Director

DIN: 00203469

Pankaj Agarwal

General Manager-Accounts

Vivek Kumar

Company Secretary

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS

(INR in Million)

Particulars	Six months period ended 30.09.2015				Note No.	For the year ended 31.03.2015				Note No.
	The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjust-ments	Proforma Consoli-dated		The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjust-ments	Proforma Consoli-dated	
A Revenue:										
Revenue From Operations:	5,485.48	539.94	(127.42)	5,898.00	4	10,471.27	1,103.96	(471.81)	11,103.42	4
Other Income	22.81	2.91	-	25.72		47.27	6.57	-	53.84	
Total Revenue	5,508.29	542.85	(127.42)	5,923.72		10,518.54	1,110.53	(471.81)	11,157.26	
B Expenses:										
Cost of Material Consumed	3,412.03	267.82	(127.42)	3,552.43	4	7,433.90	839.51	(471.81)	7,801.60	4
Change in Inventories of Finished Goods & Work in Progress	326.65	102.62	-	429.27		(285.80)	(43.97)	-	(329.77)	
Employee Benefit Expenses	410.58	21.87	-	432.45		676.39	44.23	-	720.62	
Finance Costs	377.30	27.60	-	404.90		699.27	55.66	-	754.93	
Depreciation Expenses	89.67	10.83	-	100.50		162.03	22.04	-	184.07	
Other Expenses	672.46	22.33	-	694.79		1,393.25	47.85	-	1,441.10	
Total Expenses	5,288.69	453.07	(127.42)	5,614.34		10,079.04	965.32	(471.81)	10,572.55	
C Restated Profit Before Extraordinary Items and Tax (A-B)	219.60	89.78	-	309.38		439.50	145.21	-	584.71	
D Add / Less : Extraordinary Items	-	-	-	-		-	-	-	-	
E Restated Profit Before Tax (C-D)	219.60	89.78	-	309.38		439.50	145.21	-	584.71	
F Tax Expense / (Income)										
Current Tax	47.87	21.71	-	69.58		92.00	31.86	-	123.86	
Deferred Tax	12.39	-	-	12.39		25.11	-	-	25.11	
Less: MAT Credit Entitlement	(4.14)	11.54	-	7.40		(23.85)	(8.71)	-	(32.56)	
Total Tax Expenses	56.12	33.25	-	89.37		93.26	23.15	-	116.41	
G Restated Profit After Tax	163.48	56.53	-	220.01		346.24	122.06	-	468.30	

Note :

- 1) The above statement should be read with significant accounting policies to Restated Consolidated Proforma Balance Sheet and Statement of Profit and Loss appearing in Note 1.

For **SAHNI MEHRA & CO.**

Chartered Accountants

(Firm Registration Number: 000609N)

(Ramesh Sahni)

(Proprietor)

Membership No. 009246

Place: New Delhi

Date: December 24,2015

For and on behalf of the Board of Directors

Lalit Seth

Director

DIN: 00312007

Rishi Seth

Director

DIN: 00203469

Pankaj Agarwal

General Manager-Accounts

Vivek Kumar

Company Secretary

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

Note 1: RESTATED CONSOLIDATED STATEMENT OF PROFORMA SIGNIFICANT ACCOUNTING POLICIES

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of proforma summary statements

- a) The Board of Directors of Himachal Energy Private Limited at their meeting held on October 15, 2015 had subject to sanction of Hon'ble High Court of Himachal Pradesh, Shimla and other approval as may be necessary, approved a Scheme of Arrangement (the "Scheme") wherein investment division of Himachal Energy Private Limited (demerged Company) is to be demerged into HPL Project Portfolio Private Limited (The resultant Company) and rearrangement/reduction of post demerger share capital of Himachal Energy Private Limited and HPL Project Portfolio Private Limited has to take place. The appointed date is commencement of business hour on 30th September, 2015 or such other date as the Hon'ble High Court of Himachal Pradesh, Shimla may direct. After demerger of Himachal Energy Private Limited and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares. Himachal Energy Private Limited will become 97.15% subsidiary of HPL Electric & Power Limited. The shareholding pattern will be as under : -

S.No.	Name of shareholder	No. of share	%
1	Mr. Lalit Seth	153980	1.00
2	Mr. Rishi Seth	88000	0.57
3	Mrs. Praveen Seth	110000	0.71
4	Mr. Gautam Seth	88000	0.57
5	HPL Electric & Power Limited	15000020	97.15
	Total	15440000	100.00

- b) The restated consolidated proforma balance sheet of the Group (considering (i) proposed demerger as per the Scheme of arrangement filed with Hon'ble High Court of Himachal Pradesh, Shimla and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares) as on March 31, 2015 and as on September 30, 2015 and the restated consolidated proforma summary of statements of Profit and Loss for the year ending March 31, 2015 and the six months ended on September 30, 2015 (herein collectively referred to as 'proforma summary of statements') have been extracted by the management from the consolidated restated financial information of the Group (the Company, its Joint Ventures) for the year ended March 31, 2015 and for the six months ended September 30, 2015 and audited financial statements of Himachal Energy Private Limited for the year ended March 31, 2015 and six months ended September 30, 2015 for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offer (IPO).
- c) These proforma summary statements have been prepared to comply in all material respects with the requirement of paragraph 23 of the item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of (i) proposed demerger as per the Scheme of arrangement filed with Hon'ble High Court of Himachal Pradesh, Shimla and (ii) post demerger conversion of convertible debentures of Himachal Energy Private Limited into Equity shares.

1.2 Accounting assumptions made for proforma summary statements

- a) It has been assumed that Himachal Energy Private Limited has become 97.15% subsidiary of HPL Electric & Power Limited on March 31, 2015 and September 30, 2015.
- b) The accounts of HPL Electric & Power Limited have been restated and regrouped to comply with the uniform accounting policy of the Company.
- c) The excess of the cost to parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, is accounted for as Goodwill.

1.3 Basis of Consolidation

- a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The Financial statements of the Company, its Joint Ventures and its subsidiary has been combined on a line-by-line basis by adding together the balance of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. Unrealised profits, resulting from intragroup transactions that are included in the carrying amount of assets such as inventory and fixed assets are eliminated in full.
- b) The consolidated financial statements has been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

1.4 Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

1.5 Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of Tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible Assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible Assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act, 2013 read with rules 7 of the Company (Accounts) Rules, 2014.

Assets retired from active use and held for disposal are stated at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

1.6 Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under PART C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is charged proportionately. However Schedule II allows companies to use higher / lower useful lives and values, If such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of the fixed assets.

The depreciation on assets for a value not exceeding Rs.5000/- which were written off in the year of purchase as per erstwhile Companies Act, 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over estimated useful life of assets on Straight Line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

1.7 Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.8 Inventories

- i) Items of inventories i.e. Raw Material, Work-in-Progress and Finished Goods are measured at lower of cost or net realizable value.
- ii) The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.
- iii) Purchased Goods-in-transit are carried at cost.
- iv) Stores and Spares are valued at lower of cost or net realizable value.
- v) Inventory of Finished Products which are excisable is valued inclusive of Excise Duty.

1.9 Revenue Recognition

The company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount / trade obligations and sales tax / vat. Export sales are recognized on the date of shipping / air way bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income / expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

1.10 Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

1.11 Research & Development

All expenditure other than Capital Expenditure on Research & Development is charged to the statement of Profit & Loss in the year in which it is incurred. Capital expenditure on Research & Development is included under Fixed Assets.

1.12 Retirement Benefits

Short-term employee benefits are recognized as an expense and charged to the statement of profit and loss of the year in which related service is rendered. The liability for leave encashment is in the nature of short term employee benefits which is provided for on the basis of estimation made by the management.

Defined Contribution Plans-The company has defined contribution plans for the post employment benefits namely provident fund scheme. The company's contribution in the above plans is charged to revenue every year.

Defined Benefit Plans-The company has Defined Benefit Plan namely Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as an expense immediately.

Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

1.12 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as 'Current Investments'. All other Investments are classified as 'Non-Current Investments'. Current Investments are carried at cost or fair value of each investments individually. Non-current Investments are carried at cost less provisions to recognize any decline, other than temporary, in the carrying value of the investments.

1.13 Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

1.14 Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

i) Current Taxes

Provision for current income tax is recognized in accordance with the provisions of Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matters under appeal, full provision is made in the financial statement when the Company accepts its liability.

ii) Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet date.

The Company is eligible for tax holiday under section 80-IC (Notification No. SO 1269 (E) dated 04.11.2003) of the Income Tax Act, 1961. In this regard, the Company recognized deferred taxes in respect of those originating timing differences, which reverse after tax holiday period, resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and therefore, no deferred taxes is recognized in respect of the same.

1.15 Lease

i) Financial lease

Assets acquired on financial lease, including assets acquired on hire purchase, have been recognized as an asset, and a liability at the inception of the lease has been recorded of an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the payment of minimum lease payments have been apportioned between finance charge / (expenses) and principal repayment.

Assets given on financial lease are shown as amounts recoverable from the lessee. The rent received on such leases is apportioned between the financial charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognized as income and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the assets.

ii) Operating lease

Lease rent in respect of assets acquired under operating lease are charged to the Statement of Profit and Loss as and when incurred.

1.16 Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/ Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expenses over the life of the contracts.

To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expenses for the period.

To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option.

To account for profit / loss arising on settlement or cancellation of currency option as income / expenses for the period.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet dates, and to ignore the net gain, if any.

To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

1.17 Earnings Per Share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

1.18 Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to two years.

1.19 Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are complied and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

NOTES ON RESTATED CONSOLIDATED PROFORMA BALANCE SHEET AND RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS OF THE GROUP

- 2.1. As per the Scheme of Arrangements, Himachal Energy Private Limited will cancel its existing issued and paid up share capital and shall , without any further act or deed, issue and allot:
- 1 (one) Equity Share of Rs. 10/- each, credited as fully paid-up, to its shareholders for every 50 (fifty) Equity Shares of Rs. 10/-each held in the Demerged Company as on the Record Date; and
 - 1 (one) 10% Cumulative Compulsorily Redeemable Preference Share (CRPS) of Rs. 10/- each, credited as fully paid-up, to its shareholders for every 2 (two) Equity Shares of Rs. 10/- each held in the Demerged Company as on the Record Date.
- 2.2. 15,000,000 Optionally Convertible Debenture held by Himachal Energy Private Limited will be converted into 15,000,000 Equity Shares of Rs. 10/- each after its demerger. Hence, Himachal Energy Private Limited will become 97.15% subsidiary of HPL Electric & Power Limited and the amount of Rs. 110 Million arising from issuance of 11,000,000 , 10% Cumulative Compulsorily Redeemable Preference Share (CRPS) has been adjusted against minority interest in the consolidated proforma Balance Sheet.
3. Minority interest in Himachal Energy Private Limited :

(INR in Million)

Particulars	Period ended 30.09.2015	Year ended 31.03.2015
-10% Cumulative Compulsorily Redeemable Preference Share (CRPS) of Rs. 10/- each	110.00	110.00
-In Equity Share Capital of Rs. 154.40 millions (consisting of 15.44 millions Equity Shares of Rs. 10/- each fully paid up) . Minority shareholding : 439,980 Equity Shares of Rs. 10/- each)	4.40	4.40
-In Reserve & Surplus	7.68	6.07
TOTAL	122.08	120.47

4. This adjustments is pertaining to elimination of intra-group balances between HPL Electric & Power Limited and Himachal Energy Private Limited and eliminated unrealised profit in the carrying amount of the fixed assets acquired from such intra-group transactions.
5. The Share Capital, Reserve & Surplus, 10 % Cumulative Compulsorily Redeemable Preference Share (CRPS) of Himachal Energy Private Limited have been adjusted against Minority Interest and Investment made by the parent company and calculation of Goodwill is as under:

(INR in Million)

Particulars	Year ended 31.03.2015
Share Capital of Himachal Energy Private Limited after its demerger	154.40
Add: Reserve & Surplus of Himachal Energy Private Limited after demerger	213.14
Add: 10% Cumulative Compulsorily Redeemable Preference Share (CRPS) to Minority Shareholders	110.00
	477.54
Less: Minority Interest as per above note 3	120.47
(A)	357.07
Investment of Parent in Himachal Energy Private Limited	(B) 540.00
Goodwill	(B-A) 182.93

6. Adjustment against Reserve and Surplus as 30.09.15:

(INR in Million)

Particulars	Amount
Opening Balance of Reserve and Surplus of Himachal Energy Private Limited after demerger as on 01.04.2015	213.14
Add: Minority interest on profit for the period 01.04.15 to 30.09.2015	1.61
Add: Unrealised Profit on carrying amount of fixed assets acquired from intra -group transaction	19.49
TOTAL	234.24

HPL ELECTRIC & POWER LIMITED
(Formerly HPL Electric & Power Private Limited)

NOTES ON RESTATED CONSOLIDATED PROFORMA BALANCE SHEET AND RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS OF THE GROUP

7. Earning per Share:

In accordance with AS-20 "Earning per Share" the basic and diluted earning per share is being calculated as under:-

Particulars	Six months ended 30.09.2015				Year ended 31.03.2015			
	The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjust-ments	Proforma Consoli-dated	The Company and its Joint Ventures	Himachal Energy Private Limited	Proforma Adjust-ments	Proforma Consoli-dated
Net Profit attributable to Equity Shareholders (INR in million)	163.48	56.53	(1.61)	218.40	346.24	122.06	(3.48)	464.82
Weighted Average No. of Equity Shares (Post -bonus issue):								
For Basic EPS (Nos.)	46429199	15440000	-15440000	46429199	46429199	15440000	-15440000	46429199
For Diluted EPS (Nos.)	46429199			46429199	46429199			46429199
Nominal Value per share (INR)	10			10	10			10
Basic EPS (INR)	3.52			4.70	7.46			10.01
Diluted EPS (INR)	3.52			4.70	7.46			10.01

Notes:

Post September 30, 2015, shareholders of the Company have approved a bonus issue of fully paid equity shares of the Company through capitalisation of securities premium account, aggregating to 27857520 equity shares of Rs. 10/- each, on 16th November, 2015 in the ratio of 3 fully paid up equity shares for every 2 equity shares held on 10th October, 2015, being the record date. The bonus shares are allotted on 16th November 2015.

For **SAHNI MEHRA & CO.**
Chartered Accountants
(Firm Registration Number: 000609N)

(Ramesh Sahni)
(Proprietor)
Membership No. 009246

Place: New Delhi
Date: December 24, 2015

For and on behalf of the Board of Directors

Lalit Seth
Director
DIN: 00312007

Rishi Seth
Director
DIN: 00203469

Pankaj Agarwal
General Manager-Accounts

Vivek Kumar
Company Secretary



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Statements and the Restated Standalone Financial Statements for each of six months ended September 30, 2015, fiscals 2015, 2014, 2013, 2012 and 2011, including the notes thereto and the report thereon, which appear elsewhere in this Draft Red Herring Prospectus. You should also read the section titled "**Risk Factors**" on page 14, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on Restated Consolidated Financial Statements.*

*Our Restated Summary Financial Statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the report of our auditors dated December 24, 2015, which is included in this Draft Red Herring Prospectus under "**Financial Statements**". The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and US GAAP or IFRS as applied to our restated financial statements. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our fiscal year ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. See also the section titled "**Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation**" on page 11.*

*This discussion contains forward-looking statements and reflects our current plans and expectations. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed in the sections titled, "**Forward-Looking Statements**", "**Risk Factors**" and "**Our Business**" on pages 13, 14 and 127, respectively.*

Overview

We are an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and institutional customers in the electrical equipment industry. We had the largest market share in the market for electricity energy meters in India in fiscal 2015, with one of the widest portfolios of meters in India and the fifth largest market share for LED lamps during the corresponding period (*Source: Frost & Sullivan Report*). Our manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence. We currently manufacture and sell our products under the umbrella brand 'HPL', which has been registered in India since 1975.

We supply our products through a network of authorized dealers or distributors to institutional, non-institutional and corporate customers. We supply switchgears, lighting equipment and wires and cables, primarily through our pan-India authorized dealer network, which comprised of over 2,000 authorized dealers or distributors as on December 31, 2015, from our warehouses located in 21 states and union territories in India that are managed by our carrying and forwarding agents. Our authorized dealers or distributors further sell our products to over 12,000 retailers in India. In addition, we supply our products to Power Utilities, which primarily includes supply of meters under direct contractual arrangements to electricity boards and power distribution companies, as well as through project contractors. Further, we supply our portfolio of products to developers of residential and commercial building projects, OEMs and to industrial customers through a mix of direct sales and supply through our authorized dealer network. Our sales and marketing activities are managed through over 90 branch offices and representative offices in India as on December 31, 2015.

We believe that our research and development capabilities have enabled us to keep abreast of technological developments in the electric equipment industry. We have a strong focus on consistently upgrading the technology that is used in our products and the processes used in manufacturing thereof, through our continuing research and development efforts. We have established two in-house research and development centres, one each at Kundli R&D Centre and Gurgaon R&D Centre. Our research and development efforts include design and development of all types of energy metering solutions, including interactive communication between metering devices and metering infrastructure that includes AMR and AMI, prepayment metering solutions, solar net metering solutions, smart meters with two way communication and a complete range DLMS compliant meters, amongst others, and technologies and solutions that allow for active monitoring of energy consumption for electric equipment. For instance, we have developed a street lighting system that helps in saving manpower through automatic settings for sunset and sunrise timings and remote energy metering and dimming of such lights during off-peak hours to save energy. For details in relation to our research and development efforts, see “- **Research and Development**” below.

We also operate two tool rooms at Gurgaon (Haryana) and Kundli (Haryana), within our R&D Centres, where we have in-house component designing and tool designing facilities. As on December 31, 2015, we employed over 105 engineers at our R&D Centres, with a dedicated team of engineers to manage our Tool Rooms. Our Tool Rooms are used for making rapid prototypes, followed by tools that are used to ensure efficient moulding. The data for our Tool Rooms is generated using CAD software and CNC machines that assist in maintaining accuracy of the tools produced therein. We believe that our Tool Rooms allow us to easily adapt to changes in technology or modified specifications given by Power Utilities and/or institutional customers.

We currently own and operate six manufacturing facilities located across the states of Haryana and Himachal Pradesh, having in-house testing capabilities. All our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001 requirements. Further, certain of our products are also certified to be compliant with various national and international quality standards, including the ISI mark issued by the BIS, the CE mark and KEMA certification for conformity with requisite European quality standards.

Our Company is promoted by Mr. Lalit Seth, HEPL, HIL and Havell’s Private Limited. Havell’s Private Limited was incorporated in 1956. Mr. Lalit Seth has over 40 years of experience in the industry and has built long standing relationships with customers. While we were incorporated in 1992 as ‘HPL-Socomec Private Limited’, a joint venture between Socomec S.A., France and HEPL, our Promoter, for manufacture of load changeover switches and allied electronic accessories, we expanded our business to commence manufacture of metering solutions and wires and cables. We further merged with HPTL, pursuant to the HPTL Scheme of Amalgamation consequent to which, we acquired the lighting equipment business. For further details on the HPTL Scheme of Amalgamation, see “**History and Certain Corporate Matters**” on page 148.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 our total consolidated revenue was ₹ 5,508.29 million, ₹ 10,518.54 million, ₹ 10,160.42 million and ₹ 9,157.43 million, respectively. Further, our EBITDA for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013 was ₹ 686.57 million, ₹ 1,300.80 million, ₹ 1,102.25 million and ₹ 1,147.59 million, respectively, on a consolidated basis. We have been able to increase our consolidated revenue at a compounded annual growth rate of 16.68% from fiscal 2011 until fiscal 2015.

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated revenue from sale of metering solutions was ₹ 2,655.67 million, ₹ 5,027.62 million, ₹ 5,266.14 million and ₹ 4,898.36 million, respectively, from sale of switchgears was ₹ 1,040.77 million, ₹ 2,462.30 million, ₹ 2,438.15 million and ₹ 2,069.99 million, respectively, from sale of lighting equipment was ₹ 1,483.83 million, ₹ 2,589.26 million, ₹ 1,785.33 million and ₹ 1,626.06 million, respectively, and from sale of wires and cables was ₹ 887.81 million, ₹ 1,492.99 million, ₹ 1,692.70 million and ₹ 1,407.94 million, respectively. Further, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our revenue from railway electrification projects undertaken was ₹ 9.73 million, ₹ 20.15 million, ₹ 37.55 million and ₹ 81.97 million, respectively.

Note Regarding Presentation

Our Restated Financial Statements have been prepared in accordance with the Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations, as described in the report of our auditors dated December 24, 2015, which is included in this Draft Red Herring Prospectus under “**Financial**



Information" on page 181. The discussion below covers the consolidated results of our Company along with our Joint Ventures, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014, fiscal 2013, fiscal 2012 and fiscal 2011. We have included discussions on the restated consolidated results of operations of our Company for the six months ended September 30, 2015, fiscal 2015 compared with fiscal 2014 and fiscal 2014 compared with fiscal 2013.

All references to a particular fiscal year in this section are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The Restated Consolidated Financial Statements included information in relation to our Joint Ventures as listed below.

Name of the entity and relationship	Relationship	Period covered
HPL Electric & Power Private Limited - Shriji Designs (JV)	Joint Venture	For six months ended September 30, 2015 and the fiscals ended March 31, 2015, 2014, 2013, 2012 and 2011
HPL Electric & Power Private Limited - Shriji Designs - Trimurthi Hitech Company Private Limited (JV)	Joint Venture	For six months ended September 30, 2015 and the fiscals ended March 31, 2015, 2014, 2013 and 2012

Demerger of Himachal Energy

Our Group Companies, Himachal Energy and HPL Projects Portfolio Private Limited, together, have filed a Scheme of Demerger, pursuant to which, the investment division of Himachal Energy will be demerged, transferred and vested in HPL Projects Portfolio Private Limited. Following the implementation of the Scheme of Demerger, we will convert 15,000,000 optionally convertible debentures held by us in Himachal Energy, into equal number of equity shares of Himachal Energy. Pursuant to such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy, and Himachal Energy will accordingly, become our subsidiary. For further details of the Scheme of Demerger, see "***History and Certain Corporate Matters***" on page 148.

Given that Himachal Energy will become our subsidiary subsequent to the effectiveness of the Scheme of Demerger and conversion of optionally convertible debentures of Himachal Energy that we currently hold, we have separately included proforma financial statements of our Company, which reflects the results of operations of Himachal Energy as our subsidiary, for fiscal 2015 and the six months ended September 30, 2015. However, the Restated Financial Statements for any historical period, will not be comparable with such proforma financial statements or the financial statements of any subsequent periods. This Scheme of Demerger is currently subject to final approval of the High Court of Himachal Pradesh, which by its order dated December 8, 2015, has exempted the requirement of calling a meeting of the Shareholders and creditors. Himachal Energy has filed an application for the approval of the Scheme of Demerger before the High Court of Himachal Pradesh. For details, see "***Risk Factors***" and "***Financial Statements – Proforma Financial Statements***" on pages 14 and 276.

Significant Factors Affecting our Results of Operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Working capital requirements and access to capital resources

Our business requires significant amounts of working capital primarily for financing our raw material purchases and manufacturing our products before we receive payments from our customers. Further, our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer. Moreover, our working capital requirements will increase in the event we undertake a larger number of orders as we grow our business. In particular, our sales to Power Utilities require us to incur significant amounts of working capital on account of contractual terms stipulating payments to be made after delivery, which may

further be delayed due to their weak financial health. Currently, we fund our working capital requirements from our internal accruals as well as through raising working capital loans.

Our working capital requirements may also increase in the event our authorized dealers are delayed in making payments to us. Although our annual sales policy and contract caps the credit cycle of such authorized dealers at 60 days, our authorized dealers may take up to 150 days to make payments. However, we are required to make payments to our raw material suppliers within a period of up to 120 days. Accordingly, we may be required to honour our creditors prior to receiving payments from our customers, which may result in increased working capital requirements. We seek to improve our working capital cycle, including through improving our inventory management systems. For instance, we have shifted to the carrying and forwarding agent model for sale and supply through our authorized dealers, whereby we directly invoice our authorised dealers, through our carrying and forwarding agents, enabling stricter control over our inventories for finished goods. This allows us to effectively plan our production estimates and monitor our working capital cycle efficiently.

We propose to introduce channel financing with the object of reducing our working capital requirements, whereby we seek to leverage our relationships with large corporate customers and authorised dealers, acting as channel partners. If we are unable to implement such channel financing for our large customers in future, it may result in increased borrowings to fund our working capital requirements.

Foreign currency fluctuations

Our financial statements are presented in Indian Rupees. However, our expenditure and revenue are influenced by the currencies of those countries from where we procure our raw materials (for example, Thailand and Hong Kong) and to a limited extent by currencies of countries to which we export our finished products (for example countries in south-east Asia, the Middle East, Europe and Africa). For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our consolidated expenditure on consumption of imported raw material accounted for 23.07%, 23.88%, 25.28% and 26.48%, respectively of our aggregate consolidated expenditure.

The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. Depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of our raw materials or any proposed capital expenditure in foreign currencies. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results.

Competition

We operate in an increasingly competitive market. We face competition from other manufacturers, traders, suppliers and importers of electric equipment in relation to our offerings, in the organized and unorganized sectors. Suppliers in the electric equipment industry compete based on key attributes including technical competence, product quality, strength of sales and distribution network, pricing and timely delivery. While typically our competitors in the organized sector focus more on technology and quality of their products, their unorganized counterparts supply their products at extremely competitive prices, which we may be unable to effectively compete with. For instance, we face competition from electric equipment imported from China that have gained significant presence in the Indian electric equipment market, which may be sold at more competitive prices than what we offer.

Further, many of our competitors, specifically multinational companies, may have significant competitive advantages, including greater brand recognition and greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Additionally, certain of our competitors may specialise in manufacturing electric equipment within particular product verticals and hence, may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior equipment than us and their brands may gain greater visibility within those product verticals. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our

business and results of operations. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

For further details in relation to the competition we face and our significant competitors, see “**Industry Overview**” and “**Our Business**” on pages 99 and 127, respectively.

Government Policies

The Government of India has announced various schemes and plans, including for the establishment of ‘smart cities’ in India in a phased manner and by facilitating growth of the electric equipment industry, including pursuant to the Mission Plan 2012-2022. Based on the ‘smart cities’ initiative, the Government of India aims at revamping the urban infrastructure of India. The Mission Plan 2012-2022 sets the guidelines for making India the choice for production of electrical equipment. This would drive for domestic production of electrical equipment within the country. The major areas focused on under the Mission Plan 2012-2022 include achieving industry competitiveness, technology upgradation, skill development and promotion of exports. Further, Government of India initiatives such as the ‘Make in India’ campaign, which has plans to create a brand image of India as one of the leading manufacturers of electrical equipment globally, will help the sector to become a key participant in the global industry. Under the ‘Make in India’ policy, 100% FDI through the automatic route has been permitted in construction, operation, and maintenance in specified rail infrastructure projects, which is expected to necessitate demand for LED lamps for domestic consumption. We believe that these initiatives of the Government of India will drive the demand for domestic and industrial electric equipment, including for electric equipment that we manufacture. Further, increasing urbanization in India coupled with rising income levels have resulted in progressively increasing demand for housing, particularly quality housing, across Indian cities. We believe that this growing demand for quality housing will drive demand for quality electric equipment and accessories, including those we manufacture. Any failure in the effective implementation of such plans would significantly and adversely affect our business, financial condition and results of operations. Further, other policies and regulatory changes by the state and central Government and related agencies can also impact our business results of operations. For example, the minimum wages of workers in the state of Haryana has recently been increased significantly. Since a majority of our facilities are located in the state of Haryana, we may incur significant expenses towards payment of wages of workers in our facilities. In 2015, the Government of India mandated BIS certification for LED lamps to be sold in India. While this initiative is expected to give impetus to Indian manufacturers of LED lamps and acts as an entry barrier for cheaper imports, the implementation and effectiveness of this regulatory requirement is presently uncertain.

Significant Accounting Policies

a) Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and other non-refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included, to the extent they relate to the period till such assets are ready to be put to use.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Intangible assets are stated at the consideration paid for acquisition of such assets i.e. cost less accumulated amortization and impairment. Intangible assets are recorded for the expenditure which qualifies the recognition criteria set out in the AS-26 as notified under section 133 of the Companies Act 2013 read with rules 7 of our Company (Accounts) Rules, 2014.

Assets retired from active use and held for disposal are stated at the lower of their net book value or net realisable value, and are shown separately. Any expected loss is recognised immediately in the statement of profit and loss.

b) Method of Depreciation and Amortization

Depreciation on tangible assets is provided using straight line method (S.L.M.) over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased / sold during a period is charged proportionately. However Schedule II allows companies to use higher / lower useful lives and values. If such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management of our Company believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of the fixed assets.

The depreciation on assets for a value not exceeding ₹ 5,000 which were written off in the year of purchase as per erstwhile Companies Act 1956, are being charged on the basis of their useful lives prescribed in the Schedule II of the Companies Act 2013.

Intangible Assets are amortized over estimated useful life of assets on straight line basis.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

c) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. If any such indication exists, our Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

d) Inventories

- i. Items of inventories i.e. raw material, work in progress and finished goods are measured at lower of cost or net realizable value.
- ii. The cost is calculated on weighted average cost method. Cost comprises of expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overhead based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.
- iii. Purchased goods-in-transit are carried at cost.
- iv. Stores and spares are valued at lower of cost or net realizable value.
- v. Inventory of finished products which are excisable is valued inclusive of excise duty.

e) Revenue Recognition

Our Company recognizes sales of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually at the time of dispatch of goods to the customer. Sale comprises sale of goods, net of trade discount / trade obligations and sales tax / VAT. Export sales are recognized on the date of shipping / air way bill. Export benefits are recognized on accrual basis. All other revenue and expenditure are accounted for on accrual basis.

Interest income / expenses are recognized using the time proportion method based on the rate implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

f) Revenue from Fixed Price Contractual Projects

Revenue from fixed price contractual projects is recognized on proportionate completion method. Proportion of completion method is determined on the basis of physical proportion of the contract work when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

g) *Research & Development*

All expenditure other than capital expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included under fixed assets.

h) *Borrowing Cost*

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other interest and borrowing costs are charged to revenue.

i) *Cash Flow*

Cash flow are reported according to the indirect method as specified in the Accounting Standard-3 (revised), 'cash flow statement', notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

j) *Foreign Currency Translation*

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/losses arising out of fluctuations in the exchange rates are recognized in the Statement of Profit and Loss in the period in which they arise. To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expenses over the life of the contracts. To account for profit/loss arising on cancellation or renewal of forward exchange contracts as income/expenses for the period. To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option. To account for profit/loss arising on settlement or cancellation of currency option as income/expenses for the period. To recognize the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options/forwards/swaps as at the Balance Sheet dates, and to ignore the net gain, if any.

To account for gains/losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end. To accumulate exchange differences arising on monetary items that, in substance, form part of our Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognize such balances in the Statement of Profit and Loss on disposal of the net investment. To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets/liabilities and income/expenses in a foreign exchange translation reserve.

k) *Provisions and Contingencies*

Our Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Product warranty costs are accrued in the year of sale of products, based on past experience. Our Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to two years.

l) Government Grant

Government grant is considered for inclusion in accounts only when conditions attached to them are compiled and it is reasonably certain that the ultimate collection will be made. Grant received from government towards fixed assets acquired by our Company is deducted out of gross value of the assets acquired and depreciation is charged accordingly.

m) Segment Reporting

The segment reporting of our Company has been prepared in accordance with Accounting Standard-17, "Segment Reporting".

Identification of Segments:

i) Primary- Business Segment

Our Company has identified four reportable segments viz. metering, switchgears, lighting and wires and cables on the basis of the nature of products. The risk and return profile of individual business and the internal business reporting systems.

ii) Secondary- Geographical Segment

The analysis of geographical segment is based on geographical location of the customers.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocated".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocated".

Results of Operations

Revenue

Our total revenue comprises of our revenue from operations and other income. Our revenue from operations includes our revenue from the sale of meters, switchgears, lighting equipment and wires and cables. The following table shows our revenue from operations and other income:

<i>(₹ in million, except percentages)</i>				
Particulars	Six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Revenue from operations				
Revenue from sale of meters	2,655.67	5,027.62	5,266.14	4,898.36
% of gross revenue from operations	43.69	43.37	46.94	48.57
Revenue from sale of switchgears	1,040.77	2,462.30	2,438.15	2,069.99
% of gross revenue from operations	17.12	21.24	21.73	20.53

Particulars	Six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Revenue from sale of lighting equipment	1,483.83	2,589.26	1,785.33	1,626.06
% of gross revenue from operations	24.41	22.34	15.91	16.12
Revenue from sale of wires and cables	887.81	1,492.99	1,692.70	1,407.94
% of gross revenue from operations	14.61	12.88	15.09	13.96
Project income	9.73	20.15	37.55	81.97
% of gross revenue from operations	0.16	0.17	0.33	0.81
Gross revenue from operations	6,077.81	11,592.32	11,219.87	10,084.32
Less: Excise duty paid	592.33	1,121.05	1,110.42	969.94
Net revenue from operations	5,485.48	10,471.27	10,109.45	9,114.38
Other income	22.81	47.27	50.97	43.05
Total revenue	5,508.29	10,518.54	10,160.42	9,157.43

Revenue from operations

Our revenue from operations are primarily generated from (i) sale of meters, (ii) sale of switchgears, (iii) sale of lighting equipment, (iv) sale of wires and cables and (v) project income.

Revenue from sale of meters

Our revenue from sale of meters accounted for 43.69%, 43.37%, 46.94% and 48.57% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. The meters are supplied to several institutional customers including Power Utilities and various Governmental Agencies.

Revenue from sale of switchgears

Our revenue from sale of switchgears accounted for 17.12%, 21.24%, 21.73% and 20.53% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Our revenue from sale of switchgears primarily consists of revenue from the sale of circuit breakers, load breaker switches, changeover switches, H.R.C. fuses, distribution boards and fuse switches that are available for varied range of voltages and amperage and with different breaking capacities. Our product offerings also include MCCB distribution panels, with pre-mounted MCCBs.

Revenue from sale of lighting equipment

Our revenue from sale of lighting equipment accounted for 24.41%, 22.34%, 15.91% and 16.12% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Our revenue from sale of lighting equipment primarily consists of revenue from the sale of a wide range of consumer, commercial, industrial and outdoor LED products, luminaries and CFLs and certain accessories for such lightings.

Revenue from sale of wires and cables

Our revenue from sale of wires and cables accounted for 14.61%, 12.88%, 15.09% and 13.96% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Our revenue from sale of wires and cables includes income from sale of fire resistant, flame retardant low smoke and heat resistant wires and cables, zero halogen flame retardant wires, solar and wind power cables, submersible cables, battery cables and fire survival cables.

Project income

Our project income accounted for 0.16%, 0.17%, 0.33% and 0.81% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Our project

income includes revenue received on account of the implementation of the railway electrification projects undertaken by our Joint Ventures.

Other income

Our other income includes certain recurring income items such as interest earned on bank deposits and other non operating income.

Expenses

Our expenses comprise of (i) cost of materials consumed, (ii) changes in inventories of finished goods and work in progress, (iii) employee benefit expenses, (iv) finance costs, (v) depreciation expenses, and (vi) other expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our gross revenue from operations for the periods indicated:

<i>(₹ in million, except percentages)</i>					
Particulars	Six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013	
Cost of material consumed	3,412.03	7,433.90	7,302.22	6,779.04	
<i>% of gross revenue from operations</i>	<i>56.14%</i>	<i>64.13%</i>	<i>65.08%</i>	<i>67.22%</i>	
Changes in inventories of finished goods and work in progress	326.65	(285.80)	(105.39)	(305.35)	
<i>% of gross revenue from operations</i>	<i>5.37%</i>	<i>(2.47%)</i>	<i>(0.94%)</i>	<i>(3.03)%</i>	
Employee benefit expenses	410.58	676.39	576.52	539.17	
<i>% of gross revenue from operations</i>	<i>6.76%</i>	<i>5.83%</i>	<i>5.14%</i>	<i>5.35%</i>	
Finance costs	377.30	699.27	592.69	617.07	
<i>% of gross revenue from operations</i>	<i>6.21%</i>	<i>6.03%</i>	<i>5.28%</i>	<i>6.12%</i>	
Depreciation expenses	89.67	162.03	132.89	113.50	
<i>% of gross revenue from operations</i>	<i>1.48%</i>	<i>1.40%</i>	<i>1.18%</i>	<i>1.13%</i>	
Other expenses	672.46	1,393.25	1,284.82	996.98	
<i>% of gross revenue from operations</i>	<i>11.06%</i>	<i>12.02%</i>	<i>11.45%</i>	<i>9.89%</i>	
Total expenses	5,288.69	10,079.04	9,783.75	8,740.41	

Cost of material consumed

Costs of raw materials consumed consist primarily of costs of copper, electronic components, engineering plastic moulded components, semi-conductors, capacitors, polycarbonate and LCD backlight. Cost of materials consumed accounted for 56.14%, 64.13%, 65.08% and 67.22% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Copper constituted 10.61%, 10.03% , 11.95% and 11.49% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Electronic components constituted 29.79%, 26.97%, 29.11% and 30.04% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Engineering plastic constituted 5.59%, 6.90%, 6.70% and 6.98% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively whereas packing constituted 1.75%, 1.82%, 1.76% and 1.87% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Our other raw materials including project-raw materials have constituted 8.40%, 18.41%, 15.56% and 16.84% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Changes in inventories of finished goods and work in progress

Our changes in inventories of finished goods and work-in-progress goods include (i) changes in opening stock of finished goods and changes in opening stock of work in progress, and (ii) changes in closing stock of finished goods and changes in closing stock of work in progress.

Employee benefit expenses

Our employee benefit expenses comprise employee salaries and bonuses, contribution to employee's provident fund and other funds and staff welfare expenses. Employee benefit expenses accounted for 6.76%, 5.83%, 5.14% and 5.35% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Finance costs

Our finance costs comprise interest paid on our term loans, interest on working capital loans, interest on deposits, bank commission and processing charges. Our finance costs accounted for 6.21%, 6.03%, 5.28% and 6.12% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Depreciation expenses

Depreciation on tangible assets is provided using the straight line method as per the useful lives of assets estimated by the management or at the rates as per the useful life prescribed under Schedule II of the Companies Act 2013 (from April 1, 2014) and at the rates prescribed under Schedule XIV of the Companies Act 1956 (from April 1, 2009 to March 31, 2014). For details of comparison of useful lives under the Companies Act 2013 and the Companies Act 1956, see “ – **Significant Accounting Policies – Depreciation on tangible fixed assets**” above.

Our depreciation expenses accounted for 1.48%, 1.40%, 1.18% and 1.13% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Other expenses

Our other expenses include costs of consumption of stores and spare parts, power and fuel, rent, repairs to buildings, repairs to machinery, research and development expenses, meter installation expenses, testing expenses, rates and taxes excluding taxes in income, legal and professional fees, travelling and conveyance expenses, communication expenses, printing and stationery expenses, repairs and maintenance costs, insurance costs, membership and subscription fees, selling and distribution expenses, loss on sale of fixed assets, donations, audit expenses, product warranty claims and miscellaneous expenditures. The three major components of our other expenses are power and fuel expenses, travelling and conveyance expenses and selling and distribution expenses which were ₹ 75.17 million, ₹ 120.84 million, ₹ 131.46 million and ₹ 103.63 million; ₹ 62.44 million, ₹ 114.31 million, ₹ 122.02 million and ₹ 103.59 million; and ₹ 358.68 million, ₹ 880.08 million, ₹ 718.78 million and ₹ 542.80 million, respectively, for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Other expenses accounted for 11.06%, 12.02%, 11.45% and 9.89% of our gross revenue from operations for the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Six months ended September 30, 2015

Revenue

Our gross revenue from operations for the six months ended September 30, 2015 was ₹ 6,077.81 million which comprised of sale of meters, switchgears, lighting equipment, wires and cables and revenue generated from railway electrification projects undertaken by our Joint Ventures.

Revenue from operations: Our gross revenue from operations for the six months ended September 30, 2015 was ₹ 6,077.81 million which comprised of sale of meters amounting to ₹ 2,655.67 million, sale of switchgears amounting to ₹ 1,040.77 million, income from sale of lighting equipment amounting to ₹ 1,483.83 million, income from sale of wires and cables amounting to ₹ 887.81 million and income from railway electrification projects undertaken by our Joint Ventures amounting to ₹ 9.73 million. Some of the significant orders received during the six months ended September 30, 2015 include the letter of awards received from EESL for supply of LED streetlights at Srikakulam in Andhra Pradesh, in Rajasthan and at Varanasi in Uttar Pradesh. Further, we also received a letter of award from the New Delhi Municipal Corporation (“**NDMC**”) for supply of energy

efficient LED based tube lights. Additionally, we also received purchase orders for supply of single phase meters from Southern Power Distribution Company of AP Limited as well as from Southern Power Distribution Company of Telangana Limited.

Other income: Our other income consists of interest income and other non-operating income. Interest income for the six months ended September 30, 2015 was ₹ 19.96 million and amounted to 0.36% of our total revenue. Our other non-operating income for the six months ended September 30, 2015 was ₹ 2.85 million and amounted to 0.05% of our total revenue.

Expense

Our total expenses for the six months ended September 30, 2015 was ₹ 5,288.69 million.

Our total expenses for the six months ended September 30, 2015 comprised of ₹ 3,412.03 million of the cost of materials consumed, ₹ 326.65 million changes in inventories of finished goods and work in progress, ₹ 410.58 million employee benefits expenses, ₹ 377.30 million finance costs, ₹ 89.67 million depreciation expenses and ₹ 672.46 million other expenses. Our expenses for six months ended September 30, 2015 were driven by power and fuel expenses and expenses related to consumption of stores and spares on our manufacturing activities and selling and distribution expenses in the six months ended September 30, 2015. Further, we also incurred additional expenses attributable to salary payments to employees taken over from one of our corporate Promoters, HIL, pursuant to the business transfer agreement dated August 1, 2015, entered into by our Company with HIL.

Restated profit before tax

Our profit before tax for the six months ended September 30, 2015 was ₹ 219.60 million.

Tax Expense

Our provisions for tax liabilities for six months ended September 30, 2015 was ₹ 56.12 million which comprised of current tax liability of ₹ 47.87 million and deferred tax liability of ₹ 12.39 million and this was offset by MAT credit entitlement of ₹ 4.14 million.

Restated profit after tax

Our restated profit after tax for the six months ended September 30, 2015 was ₹ 163.48 million.

Fiscal 2015 compared with fiscal 2014

Our gross revenue from operations increased by ₹ 372.45 million, or 3.32% from ₹ 11,219.87 million in fiscal 2014 to ₹ 11,592.32 million in fiscal 2015. This increase was largely due to a ₹ 24.15 million increase in revenue from sale of switchgears and ₹ 803.93 million increase in revenue from sale of lighting equipment.

Revenue from operations

Revenue from sale of meters

Our revenue from sale of meters decreased by ₹ 238.52 million, or 4.53%, from ₹ 5,266.14 million in fiscal 2014 to ₹ 5,027.62 million in fiscal 2015. This decrease was driven largely due to the slowdown in procurement by Power Utilities, primarily at the central and state government level and public spending in general, prior to the general elections in India in fiscal 2015.

Revenue from sale of switchgears

Our revenue from sale of switchgears increased marginally by ₹ 24.15 million, or 0.99% from ₹ 2,438.15 million in fiscal 2014 to ₹ 2,462.30 million in fiscal 2015.

Revenue from sale of lighting equipment

Our revenue from the sale of lighting equipment increased by ₹ 803.93 million, or 45.03%, from ₹ 1,785.33 million in fiscal 2014 to ₹ 2,589.26 million in fiscal 2015. This was due to an increase in orders from our customers for our lighting equipment, particularly on account of the launch of our lighting equipment in the LED segment. One of the significant orders received in fiscal 2015 include a letter of award received from EESL for supply, testing, installation, commissioning, warranty and maintenance of LED street lights for the Greater Vishakhapatnam Municipal Corporation.

Revenue from sale of wires and cables

Our revenue from sale of wires and cables decreased by ₹ 199.71 million, or 11.80% from ₹ 1,692.70 million in fiscal 2014 to ₹ 1,492.99 million in fiscal 2015. We had consciously undertaken lesser number of orders in fiscal 2015 in wires and cables due to increased volatility in the cost of copper during this period which is the primary raw material for our wires and cables products.

Project income

Our project income decreased by ₹ 17.40 million, or 46.34%, from ₹ 37.55 million in fiscal 2014 to ₹ 20.15 million in fiscal 2015 on account of the railway electrification projects undertaken by our Joint Ventures nearing completion.

Other Income

The revenue generated by our Company from interest income decreased by ₹ 2.13 million or 5.21% from ₹ 40.87 million in fiscal 2014 to ₹ 38.74 million in fiscal 2015. The decrease was due to a reduction in the rate of interest on our fixed deposits. Our other non-operating income also decreased by ₹ 1.57 million or 15.54% from ₹ 10.10 million in fiscal 2014 to ₹ 8.53 million in fiscal 2015.

Expenses

Our total expenses increased by ₹ 295.29 million, or 3.02%, from ₹ 9,783.75 million in fiscal 2014 to ₹ 10,079.04 million in fiscal 2015. This increase was driven by an increase in consumption of raw materials, increase in employee benefit expenses, increase in finance costs, an increase in depreciation expenses and an increase in our other expenses.

Cost of material consumed

Our cost of materials consumed increased by ₹ 131.68 million, or 1.80%, from ₹ 7,302.22 million in fiscal 2014 to ₹ 7,433.90 million in fiscal 2015. Despite our revenue from manufacturing and sale of meters, switchgears and wires and cables decreasing in fiscal 2015, our cost of raw materials consumed in fiscal 2015 increased primarily due to increase in manufacturing and sale of lighting equipment. However, as a percentage of our gross revenue from operations, our cost of material consumed decreased from 65.08% in fiscal 2014 to 64.13% in fiscal 2015.

Change in inventories of finished goods and work in progress

Change in inventories of finished goods and work-in-progress increased by ₹ 180.41 million, or 171.18%, from ₹ 105.39 million in fiscal 2014 to ₹ 285.80 million in fiscal 2015. This was due to increase in our holding levels, and delay in dispatch of our products pending inspection from the Power Utilities.

Employee benefit expenses

Our employee benefit expenses increased by ₹ 99.87 million, or 17.32%, from ₹ 576.52 million in fiscal 2014 to ₹ 676.39 million in fiscal 2015. This increase was due to an increase in payment of salaries and bonus to our employees. As a percentage of our gross revenue from operations, our employment benefit expenses increased from 5.14% in fiscal 2014 to 5.83% in fiscal 2015.

Finance costs

Our finance costs increased by ₹ 106.58 million, or 17.98%, from ₹ 592.69 million in fiscal 2014 to ₹ 699.27 million in fiscal 2015. This was primarily due to an increase in the working capital facilities as well as long term loan facilities availed by our Company as a result of which, we had to make payment of the interest as well as bank charges and borrowing costs of such facilities. Further, there was an increase in the holding levels of our inventories which resulted in an increase in the working capital requirements. As a percentage of our gross revenue from operations, our finance costs increased from 5.28% in fiscal 2014 to 6.03% in fiscal 2015.

Depreciation expenses

Our depreciation expense increased by ₹ 29.14 million, or 21.93%, from ₹ 132.89 million in fiscal 2014 to ₹ 162.03 million in fiscal 2015. This increase was primarily due to change in the accounting estimates of the useful lives of assets as per the useful life prescribed under Schedule II of the Companies Act 2013 (from April 1, 2014). For details of comparison of useful lives under the Companies Act 2013 and the Companies Act 1956, see “ – **Significant Accounting Policies – Depreciation on tangible fixed assets**” above.

Other expenses

Our other expense increased by ₹ 108.43 million, or 8.44%, from ₹ 1,284.82 million in fiscal 2014 to ₹ 1,393.25 million in fiscal 2015. In order to be able to effectively manage our electricity requirements, our Company constructed its own electricity lines from a substation in the district of Karnal which decreased our cost of power and fuel in fiscal 2015. Further, during fiscal 2015, in order to promote and advertise its products, our Company for the first time, launched its marketing efforts in the electronic media. The increase in our other expenses was driven by these factors in fiscal 2015. As a percentage of our gross revenue from operations, our other expenses increased from 11.45% in fiscal 2014 to 12.02% in fiscal 2015.

Restated profit before tax

Primarily due to the reasons described above, our restated profit before tax increased by ₹ 62.83 million, or 16.68%, from ₹ 376.67 million in fiscal 2014 to ₹ 439.50 million in fiscal 2015.

Tax expense

Our total tax expenses increased by ₹ 0.30 million, or 0.32%, from ₹ 92.96 million in fiscal 2014 to ₹ 93.26 million in fiscal 2015. Our current tax increased by ₹ 12.18 million or 15.26%, from ₹ 79.82 million in fiscal 2014 to ₹ 92.00 million in fiscal 2015 and our deferred tax was ₹ 25.11 million in fiscal 2015, as compared to ₹ 26.36 million in fiscal 2014.

Restated profit after tax

Our restated profit after tax increased by ₹ 62.53 million, or 22.04%, from ₹ 283.71 million in fiscal 2014 to ₹ 346.24 million in fiscal 2015.

Fiscal 2014 compared with fiscal 2013

Our gross revenue from operations increased by ₹ 1,135.55 million, or 11.26% from ₹ 10,084.32 million in fiscal 2013 to ₹ 11,219.87 million in fiscal 2014. This increase was largely due to an increase in revenue from sale of meters, switchgears, lightings products and wires and cables.

Revenue from operations

Revenue from sale of meters

Our revenue from sale of meters increased by ₹ 367.78 million, or 7.51%, from ₹ 4,898.36 million in fiscal 2013 to ₹ 5,266.14 million in fiscal 2014. This increase was primarily driven by an increase in orders from our customers for such meters in fiscal 2014. Some of the significant orders executed during fiscal 2014 included purchase orders received from Maharashtra State Electricity Distribution Company Limited for supply of three

phase meters as well as purchase orders received from Central Power Distribution Company of AP Limited for supply of single phase as well as three phase meters.

Revenue from sale of switchgears

Our revenue from sale of switchgears increased by ₹ 368.16 million, or 17.79%, from ₹ 2,069.99 million in fiscal 2013 to ₹ 2,438.15 million in fiscal 2014. This was primarily driven by a general increase in the demand of switchgears during this period.

Revenue from sale of lighting equipment

Our income from sale of lighting equipment increased by ₹ 159.27 million, or 9.79%, from ₹ 1,626.06 million in fiscal 2013 to ₹ 1,785.33 million in fiscal 2014. This was due to the launch of a new product range by our Company which led to increased orders from our customers.

Revenue from sale of wires and cables

Our revenue from sale of wires and cables increased by ₹ 284.76 million, or 20.22%, from ₹ 1,407.94 million in fiscal 2013 to ₹ 1,692.70 million in fiscal 2014. This was due to an increase in orders for manufacture of wires and cables from our customers in fiscal 2014.

Project income

Our project income decreased by ₹ 44.42 million, or 54.19%, from ₹ 81.97 million in fiscal 2013 to ₹ 37.55 million in fiscal 2014. Our project income includes revenue received on account of the railway electrification projects undertaken by our Joint Ventures.

Other Income

The revenue generated by our Company from interest income increased by ₹ 1.07 million, or 2.69% from ₹ 39.80 million in fiscal 2013 to ₹ 40.87 million in fiscal 2014. Our other non-operating income also increased by ₹ 6.85 million or 210.76% from ₹ 3.25 million in fiscal 2013 to ₹ 10.10 million in fiscal 2014 due to the write-back of our sundry balances.

Expenses

Our total expenses increased by ₹ 1043.34 million, or 11.94%, from ₹ 8,740.41 million in fiscal 2013 to ₹ 9,783.75 million in fiscal 2014. This increase was driven by an increase in consumption of raw materials, increase in employee benefit expenses, an increase in depreciation expenses and an increase in our other expenses.

Cost of material consumed

Our cost of raw materials consumed increased by ₹ 523.18 million, or 7.72%, from ₹ 6,779.04 million in fiscal 2013 to ₹ 7,302.22 million in fiscal 2014. This increase was primarily due to higher purchase of raw materials in fiscal 2014 for increased production on account of an increase in the orders received by our Company. As a percentage of our gross revenue from operations, our cost of material consumed decreased from 67.22% in fiscal 2013 to 65.08% in fiscal 2014 due to realization on the inventories held over from fiscal 2013 in fiscal 2014.

Change in inventories of finished goods and work in progress

Our cost of change in inventories of finished goods and work-in-progress increased by ₹ 199.96 million from ₹ 305.35 million in fiscal 2013 to ₹ 105.39 million in fiscal 2014.

Employee benefit expenses

Our employee benefit expenses increased by ₹ 37.35 million, or 6.93%, from ₹ 539.17 million in fiscal 2013 to ₹ 576.52 million in fiscal 2014. This increase was due to the increase in payment of salaries, wages and bonus, contribution to provident and other funds as well as increase in payment of staff welfare expenses. However, as a percentage of our gross revenue from operations, our employee benefit expenses marginally decreased from 5.35% in fiscal 2013 to 5.14% in fiscal 2014.

Finance costs

Our finance costs decreased by ₹ 24.38 million, or 3.95%, from ₹ 617.07 million in fiscal 2013 to ₹ 592.69 million in fiscal 2014. This was primarily on account of a decrease in the payment of the interest on existing credit facilities due to lower average utilization of working capital facilities.

Depreciation expenses

Our depreciation expense increased by ₹ 19.39 million, or 17.08%, from ₹ 113.50 million in fiscal 2013 to ₹ 132.89 million in fiscal 2014. This was driven by an increase in our fixed assets at our facilities located at Kundli and Gurgaon (Haryana).

Other expenses

Our other expenses increased by ₹ 287.84 million, or 28.87%, from ₹ 996.98 million in fiscal 2013 to ₹ 1,284.82 million in fiscal 2014. The freight outward expenses increased due to higher sales in 2014; repair and maintenance expenses also increased due to higher utilization of the plant and machinery as a result of higher production. Further, our Company paid certain fees to one of our Corporate Promoters, HIL for advertising and marketing the products of our Company. Additionally, there was an increase in the sale of meters which resulted in an increase of the meter installation expense. As a percentage of our gross revenue from operations, our other expenses increased from 9.89% in fiscal 2013 to 11.45% in fiscal 2014.

Restated profit before tax

Primarily due to the reasons described above, our restated profit before tax decreased by ₹ 40.35 million, or 9.68%, from ₹ 417.02 million in fiscal 2013 to ₹ 376.67 million in fiscal 2014.

Tax expense

Our total tax expenses decreased by ₹ 9.88 million, or 9.61%, from ₹ 102.84 million in fiscal 2013 to ₹ 92.96 million in fiscal 2014. Our current tax decreased by ₹ 4.40 million, or 5.22%, from ₹ 84.22 million in fiscal 2013 to ₹ 79.82 million in fiscal 2014 and our deferred tax charge was ₹ 26.36 million in fiscal 2014, as compared to ₹ 27.21 million in fiscal 2013.

Restated profit after tax

Our restated profit after tax decreased by ₹ 30.47 million, or 9.70%, from ₹ 314.18 million in fiscal 2013 to ₹ 283.71 million in fiscal 2014.

Liquidity and Capital Resources

As of September 30, 2015, we had cash and bank balances of ₹ 534.40 million. Cash and bank balances consist of cash on hand, balances in current accounts with scheduled banks and balance held as margin money with maturity of more than three months but less than 12 months. Our primary liquidity requirements have been to finance our capital expenditures and working capital requirements. We have met these requirements from cash flows from operations, proceeds from the issuance of equity shares, and short-term and long-term borrowings. Our business requires a significant amount of working capital. We expect to meet our working capital requirements for the next 12 months primarily from the cash flows from our business operations, working capital borrowings from banks and from the proceeds of this Issue.

Cash flows

Set forth below is a table of selected information from our Company's statements of cash flows for the periods indicated.

(₹ in million)

Particulars	Six months ended September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net cash generated from operating activities	376.64	269.05	457.74	625.43
Net cash used in investing activities	(883.53)	(391.05)	(493.18)	(329.04)
Net cash generated from/ (used in) financing activities	497.01	201.40	(23.94)	(244.24)
Net increase/ (decrease) in cash and cash equivalents	(9.88)	79.40	(59.38)	52.15
Cash and cash equivalents at the beginning of the year/period	544.28	464.88	524.26	472.11
Cash and cash equivalents at the end of the year/period	534.40	544.28	464.88	524.26

Net cash generated from operating activities

Our net cash generated from operating activities for the six months ended September 30, 2015 was ₹ 376.64 million and our operating profit before working capital changes for that period was ₹ 666.61 million. The difference was primarily attributable to ₹ 1,054.99 million increase in trade receivables due to an increase in holding levels of debtors. This was partially offset by ₹ 397.40 million increase in trade payables attributable to an increase in holding levels of our creditors, ₹ 209.62 million decrease in inventories and ₹ 176.11 million increase in other current liabilities attributed to an increase in expenses towards advertisements as well as salary payments to employees taken over from one of our corporate Promoters, HIL, pursuant to the business transfer agreement dated August 1, 2015, entered into by our Company with HIL.

Our net cash generated from operating activities in fiscal 2015 was ₹ 269.05 million and our operating profit before working capital changes for that period was ₹ 1,262.18 million. The difference was primarily attributable to ₹ 731.86 million increase in trade receivables due to an increase in holding levels of our debtors, ₹ 212.84 million increase in short term advances on account of an increase in advances made to our suppliers as well as amounts paid against bid bonds, and ₹ 481.84 million increase in inventories due to increased inventory at our various storage locations. This was partially offset by ₹ 502.24 million increase in trade payables attributable to an increase in holding levels of our creditors.

Our net cash generated from operating activities in fiscal 2014 was ₹ 457.74 million and our operating profit before working capital changes for that period was ₹ 1,062.85 million. The difference was primarily attributable to ₹ 596.74 million increase in trade receivables, partially due to an increase in our revenue from operations and partially due to an increase in holding levels of our debtors and ₹ 134.89 million decrease in trade payables due to decreased holding levels of our creditors. This was partially offset by ₹ 39.77 million decrease in inventories and ₹ 138.90 million decrease in short term advances on account of reduced balances with excise authorities pursuant to utilization of input credit and excise advances against excise duty payable on increased dispatches made by our facilities.

Our net cash generated from operating activities in fiscal 2013 was ₹ 625.43 million and our operating profit before working capital changes for that period was ₹ 1,108.46 million. The difference was primarily attributable to ₹ 511.64 million increase in trade receivables and ₹ 529.98 million increase in inventories, both on account of a significant increase in our revenue from operations and ₹ 35.11 million increase in short term advances due to an increase in purchase of raw materials in accordance with the increase in our revenue from operations. This was partially offset by ₹ 602.59 million increase in trade payables due to an increase in purchases of raw materials in accordance with an increase in our raw materials and ₹ 80.94 million increase in trade receipts from our authorized dealers in the form of security deposits.

Net cash used in investing activities

In the six months ended September 30, 2015, our net cash used in investing activities was ₹ 883.53 million. This reflected payments of ₹ 130.84 million towards capital advances paid to one of our corporate Promoters, HIL on account of the transfer of business pursuant to the business transfer agreement dated August 1, 2015, entered into by our Company with HIL, ₹ 370.33 million towards purchase of fixed assets such as purchase of machinery, ₹ 12.99 million increase in capital work in progress, specifically towards plant and machinery and

₹ 389.33 million towards purchase of investment. This was partially offset by ₹ 19.96 million received as interest income on our fixed deposits.

In fiscal 2015, our net cash used in investing activities was ₹ 391.05 million. This reflected payments in the nature of capital expenditure of ₹ 721.10 million towards purchase of fixed assets including plant and machinery as well as the expenditure towards completion of construction of our manufacturing facility at Gharaunda (Haryana). This payment was partially offset by ₹ 290.34 million decrease in capital work in progress due to completion of construction of our manufacturing facility at Gharaunda (Haryana) as well as ₹ 38.74 million received as interest income on our fixed deposits.

In fiscal 2014, our net cash used in investing activities was ₹ 493.18 million. This reflected payments in the nature of capital expenditure of ₹ 776.45 million towards purchase of fixed assets, their repair and upgradation at our facilities in Kundli and Gurgaon (Haryana). This payment was partially offset by ₹ 236.80 million decrease in capital work in progress as well as ₹ 40.87 million received as interest income on our fixed deposits.

In fiscal 2013, our net cash used in investing activities was ₹ 329.04 million. This reflected payments in the nature of capital expenditure of ₹ 499.32 million towards purchase of fixed assets including purchase of plant and machinery at our facilities in Gurgaon and Kundli (Haryana). This payment was partially offset by ₹ 130.25 million decrease in capital work in progress as well as ₹ 39.80 million received as interest income on our fixed deposits.

Net cash generated from/ used in financing activities

In the six months ended September 30, 2015, our net cash from financing activities was ₹ 497.01 million. This reflected ₹ 1,049.51 million received on account of our working capital borrowings. This was partially offset by ₹ 175.20 million paid towards repayment of long term borrowings availed from Tamilnad Mercantile Bank Limited, ICICI Bank Limited and other banks and ₹ 377.30 million paid as interest on our long term and short term borrowings.

In fiscal 2015, our net cash from financing activities was ₹ 201.40 million. This reflected ₹ 742.84 million received on account of our working capital borrowings and ₹ 160.01 million received as proceeds from long term borrowings availed from Sberbank of Russia, Axis Bank Limited and other banks. This was partially offset by ₹ 699.27 million paid as interest on our long term and short term borrowings.

In fiscal 2014, our net cash used in financing activities was ₹ 23.94 million. This reflected payment of ₹ 592.69 million as interest on our long term and short term borrowings. This was partially offset by ₹ 385.78 million received on account of our working capital borrowings and ₹ 185.13 million received as proceeds from long term borrowings availed from DBS Bank Limited, IDBI Bank Limited and other banks.

In fiscal 2013, our net cash used in financing activities was ₹ 244.24 million. This reflected payment of ₹ 258.25 million towards repayment of long term borrowings availed from ING Vysya Bank Limited, HDFC Bank Limited and other banks and ₹ 617.07 million as interest on our long term and short term borrowings. This was partially offset by ₹ 539.36 million received on account of our working capital borrowings, ₹ 5.92 million received as proceeds from issue of share capital pursuant to an allotment of 592,000 Equity Shares on September 12, 2012 at a premium of ₹ 152 per Equity Share aggregating to ₹ 89.98 million as premium for such issue of securities.

Capital Expenditures

For the six months ended September 30, 2015, fiscal 2015, fiscal 2014 and fiscal 2013, our capital expenditures, net of depreciation were ₹ 3,361.63 million, ₹ 3,067.98 million, ₹ 3,061.66 million and ₹ 2,658.41 million, respectively. The following table provides a breakdown of our fixed assets by category as at the period/ fiscal indicated.

(₹ in million)				
Asset class	As on September 30, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Land and building	1,511.43	1,520.67	1205.30	919.79
Plant and machinery	1,724.30	1,431.53	1,445.03	1,096.02



Asset class	As on September 30, 2015	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Other fixed assets	125.90	115.78	411.33	642.60
Total*	3,361.63	3,067.98	3,061.66	2,658.41

*Note: The table includes capital work in progress and intangible assets.

Financial indebtedness

The following table sets forth our Company's secured and unsecured debt position as at September 30, 2015.

(₹ in million)	
Particulars	Amount outstanding as at September 30, 2015
Unsecured loans:	
From Promoters	-
From Group Companies	-
From banks	-
From Others	700
Total (A)	700
Secured loans:	
Term loans from bank (includes instalment payable within one year)	1,070.49
Export packing credit from bank	-
Cash credit from bank	4,248.19
Overdraft against fixed deposits	-
Foreign currency loans from banks	-
Total (B)	5,318.68
Total (A+ B)	6,018.68

For details of our financial indebtedness, please see “*Financial Indebtedness*” on page 309.

Contingent Liabilities

As of September 30, 2015, we had the following contingent liabilities not provided for disclosed as per Accounting Standard – 29 in our Restated Consolidated Financial Statements:

(₹ in million)	
Sl. No.	Amount
1.	Demand liabilities with service tax authorities (refer note 1 below) 16.01
2.	Demand liabilities under Haryana VAT authorities (refer note 1 below) 9.21
3.	Demand liabilities under Central Excise authorities (refer note 1 below) 7.22
Total	32.44

Notes

1. These are the cases where dues are pending with taxation and other authorities as on balance sheet dates which have not been deposited on account of disputes. Based on the favorable decisions in similar cases and discussions with the solicitors, our Company does not expect any liability against these matters, hence no provision has been considered in the books of accounts. Besides these dues, show cause notices from the various departments have been received by our Company, had not been treated as contingent liabilities since our Company has represented to the concerned departments and does not expect any liability on this account.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and qualitative disclosure about market risk

Foreign exchange risk

We face foreign exchange risk in respect of currency translation for the purpose of import of certain materials for the manufacture of our products. For details, see “***Risk Factors 8– We are exposed to foreign currency fluctuation risks, which may harm our results of operations***” and “- ***Significant Factors Affecting our Results of Operations - Foreign currency fluctuations***” on pages 19 and 289.

Interest rate risk

We are exposed to market rate risk due to changes in interest rates on our credit facilities that we entered into, from time to time. We are subject to interest rate risk due to fluctuation in interest rates, primarily in relation to our debt obligations with floating interest rates. We also have borrowing costs which have been capitalized as capital work in progress, which are linked to applicable benchmark rates.

As at September 30, 2015, we had ₹ 6,018.68 million of outstanding indebtedness, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations to support our working capital needs and capital expenditure. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

For the six months ended September 30, 2015 and fiscals 2015, 2014 and 2013, our interest expenses aggregated to ₹ 339.13 million, ₹ 630.55 million, ₹ 532.63 million and ₹ 567.35 million, respectively, on a consolidated basis.

Commodity price risk

We are exposed to market risk with respect to the prices of certain raw materials used for manufacturing of our products. These commodities include copper, electronic components, engineering plastic and packing materials. The costs for these raw materials are subject to fluctuation based on commodity prices. We are exposed to fluctuations in the prices of copper, electronic components and engineering plastic as well as its unavailability, particularly since these materials are bought by our Company in the spot market, by opening letters of credit or issuing documents against acceptance.

Inflation risk

Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

Credit risk

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Unusual or infrequent events or transactions

To the best of our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no events or transactions which may be described as “unusual” or “infrequent”.

Known trends or uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above in “-***Factors Affecting our Results of Operations***” and the uncertainties described in “***Risk Factors***” on page 14. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known

factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Significant economic and regulatory changes

Except as described in “***Risk Factors***” and “***Key Regulations and Policies in India***” on pages 14 and 144, respectively, to the best of our knowledge, there have been no significant economic or regulatory changes that we expect could have a material adverse effect on our results of operations.

Seasonality of business

Our business is not seasonal in nature.

Future relationship between expenditure and revenues

Except as described in “***Risk Factors***”, “***Our Business***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” on pages 14, 127 and 287, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Competitive conditions

We face competition from other manufacturers, traders, suppliers and importers of electric equipment under each of our product verticals, in the organized and unorganized sectors. For details, see “***Risk Factors***”, “***Our Business***” and “ - ***Significant Factors Affecting our Results of Operations - Competition***” on page 14 and 289 .

Dependence on third party suppliers

Our ability to manufacture and make timely deliveries of our electric equipment offerings is dependent on the availability and cost of raw materials, particularly electronic and mechanical components such as diodes and interface classes and other raw materials such as polycarbonate, PVC compounds and copper. Cost of raw materials accounted for 64.52%, 73.76%, 74.64% and 77.56% of our aggregate consolidated expenditure for the six month period ending September 30, 2015 and fiscal 2015, fiscal 2014 and fiscal 2013.

We procure our raw material requirements through spot contracts, directly from domestic and international suppliers. While we are not dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, transportation and labor costs, labor unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and any unanticipated variation in any of these factors could have a material adverse effect on our operations.

Transactions with related parties

We have certain transactions with our related parties. For details, see “***Financial Statements – Annexure 31 – Restated Consolidated Statement of Related Party Transactions***” on page 270 prepared in accordance with Accounting Standard - 18.

Recent accounting pronouncements

There are no recent accounting pronouncements that were not yet effective as at September 30, 2015 that will result in a change in our Company’s significant accounting policies.

Significant Developments after September 30, 2015

Except for the bonus issue of Equity Shares by our Company, as disclosed below, and the Scheme of Demerger filed by our Group Companies, Himachal Energy and HPL Projects Portfolio Private Limited, there has been no material development in relation to our Company since September 30, 2015. For details in respect of the Scheme of Demerger, see “***Note Regarding Presentation – Demerger of Himachal Energy***”, “***History and***



Certain Corporate Matters” and “*Financial Statements – Proforma Financial Statements*” on pages 288, 148 and 276.

Bonus issue of Equity Shares

Our Company issued 27,857,520 Equity Shares pursuant to a bonus issue in the ratio of 3:2 on November 16, 2015. This bonus issue of Equity Shares was undertaken out of the securities premium existing in the balance sheet of our Company as on March 31, 2015. For details see “*Capital Structure*” on page 70.

FINANCIAL INDEBTEDNESS

Set forth below is a summary of all borrowings of our Company, along with certain significant terms of such financing arrangements.

A. Details of secured borrowings of our Company

As on December 31, 2015, our Company had outstanding secured borrowings aggregating to ₹ 5,317.01 million, details of which are set forth below.

S. No.	Lender	Description	Amount outstanding as on December 31, 2015	Repayment/ Tenor	Security
1.	State Bank of India, Oriental Bank of Commerce, State Bank of Patiala, IDBI Bank Limited, State Bank of Mysore, DBS Bank Limited, IndusInd Bank Limited, Axis Bank Limited, HDFC Bank Limited, Canara Bank, The Ratnakar Bank Limited, Karnataka Bank Limited, State Bank of Bikaner and Jaipur, The Bank of Nova Scotia, CTBC Bank Company Limited, ICICI Bank Limited (“ Consortium Banks ”), State Bank of India being the lead bank of the consortium (“ Lead Bank ”)	Working capital facilities for an aggregate amount of ₹ 9,120 million, including fund based limits of ₹ 3,870 million and non - fund based limits of ₹ 5,250 million sanctioned pursuant to the working capital consortium agreement and <i>inter se</i> agreement, each dated February 25, 2015 and the respective sanction letters issued by Consortium Banks from time to time	₹ 3,921.45 million	Repayable on demand	<p>The working capital facilities are secured by:</p> <ul style="list-style-type: none"> • First <i>pari passu</i> charge on entire current assets of the Company including receivables, both present and future, with other member Banks including IDBI Bank Limited, to extent of ₹ 350 million; • First charge on <i>pari passu</i> basis with other members of the consortium over Company’s fixed assets (excluding fixed assets financed by the term lenders), both present and future at the Gurgaon Facility I (including equitable mortgage on land and building measuring 1,000 sq. meters), Gurgaon Facility II, Sonapat Facility (including equitable mortgage on land and building), Karnal Facility and Kundli Facility and all other fixed assets of the Company on which term lenders do not have a charge; • Second <i>pari passu</i> charge with other members of the consortium over the entire fixed assets of the Company (excluding assets where

S. No.	Lender	Description	Amount outstanding as on December 31, 2015	Repayment/ Tenor	Security
					the Consortium Banks have first <i>pari passu</i> charge) <ul style="list-style-type: none"> Personal guarantee of Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth
2.	ICICI Bank Limited	Term loan facility of ₹ 500 million pursuant to a sanction letter dated March 10, 2015 and the corporate Rupee loan facility agreement dated March 20, 2015 between the Company and ICICI Bank Limited, for refinancing a Rupee term loan from Axis Bank Limited and Sberbank, funding working capital requirements of the Company and for undertaking capital expenditure	₹ 376 million	Repayment of the principal amount to be made in twenty unequal quarterly instalments commencing on June 30, 2015	The term loan is secured by: <ul style="list-style-type: none"> First <i>pari passu</i> charge over the immovable and movable fixed assets of the Company, at its Gharaunda Facility Personal guarantees of Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth
3.	IDBI Bank Limited	Corporate loan facility of ₹ 400 million pursuant to a sanction letter dated March 30, 2013 as revised by sanction letter dated May 9, 2013, and a loan agreement dated May 23, 2013 for augmenting working capital requirements of the Company and for undertaking capital expenditure	₹ 284.38 million	Repayment to be made in 5.5 years with structured monthly installments after a moratorium period of one year, commencing on April 1, 2014	The term loan is secured by: <ul style="list-style-type: none"> First <i>pari passu</i> charge on current assets of the Company to the extent of ₹ 350 million; Exclusive charge on specific fixed assets created pursuant to the loan facility to the extent of ₹ 100 million; Exclusive charge on property situated at Plot no. 27, Block no. A, Sector 9, Noida in the name of HEPL, our corporate Promoter Corporate guarantee of HEPL; and Personal guarantees of Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth
4.	IndusInd Bank Limited	Term loan facility of ₹ 400 million, cash credit facility of ₹ 300 million, letter of credit of ₹ 100 million and net amount payable on market to market computation of ₹ 24 million pursuant	₹ 400 million	Repayment to be made in 48 unequal monthly installments after a moratorium period of one year, commencing in July 2016	The term loan is secured by: <ul style="list-style-type: none"> Second <i>pari passu</i> charge, along with other Consortium Banks over fixed assets of the Company

S. No.	Lender	Description	Amount outstanding as on December 31, 2015	Repayment/ Tenor	Security
		to a Term Loan Agreement dated September 18, 2015 and sanction letter dated July 27, 2015, as amended by amended sanction letters dated September 17, 2015 and October 14, 2015, for takeover of existing facility of Tamilnad Mercantile Bank Limited, normal capex requirement and augmentation of long term working capital			(excluding the fixed assets where the working capital facility lenders have first charge); <ul style="list-style-type: none"> • First charge on industrial property situated at Gurgaon Facility II; • First hypothecation charge on plant and machinery valued at ₹ 145.40 million; • Personal guarantees of Mr. Lalit Seth, Mr. Gautam Seth and Mr. Rishi Seth
5.	Kotak Mahindra Bank Limited	Corporate loan facility of ₹ 250 million pursuant to a sanction letter dated August 11, 2014 and a facility agreement dated August 25, 2014, for funding working capital requirements of the Company. This facility was initially granted by ING Vysya Bank Limited, and pursuant to a letter dated October 5, 2015, the facility documents were amended to replace the name of the lender as Kotak Mahindra Bank Limited, and further, to revise the corporate loan facility to ₹ 187.50 million	₹ 166.67 million	Repayment to be made in 48 equal monthly installments for the principal amount, ending on August 2018 and interest is to be recovered as on when debited or on a monthly basis	The term loan is secured by: <ul style="list-style-type: none"> • Exclusive charge on plant and machinery at various locations, amounting to ₹ 80 million; • First equitable mortgage charge on land and building situated at our Kundli Facility; • Personal guarantees of Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth
6.	State Bank of India	Corporate loan facility of ₹ 200 million pursuant to a sanction letter dated August 18, 2015 and an agreement for loan dated November 2, 2015 for funding routine ongoing capital expenditure	₹ 168.51 million	Repayment to be made in 16 quarterly installments of ₹ 12.5 million with the first installment commencing after a moratorium period of one year from the date of first disbursement	The term loan is secured by: <ul style="list-style-type: none"> • First charge on assets created from such financial assistance; • First exclusive charge on entire fixed assets (both present and future) at the Jabli Facility, including land, building, plant and machinery owned by the Company therein; • Personal guarantees of Mr. Lalit Seth, Mr. Rishi Seth and Mr. Gautam Seth; and



S. No.	Lender	Description	Amount outstanding as on December 31, 2015	Repayment/ Tenor	Security
					<ul style="list-style-type: none"> Corporate guarantee of HIL

As on the date of this Draft Red Herring Prospectus, our Company has not undertaken any re-scheduling or prepayment of any term loan, there has been no default by our Company in respect of any term loan and none of our lenders have imposed any penalty in relation to any default on our Company.

Our secured financing arrangements contain various restrictive covenants, including, among others, cross default, a right entitling the lender to cancel the sanctioned facilities with prior notice to our Company but without assigning any reasons and to cancel any unutilized limits under the facilities, without assigning any reason and without prior notice to our Company. Our secured financing arrangement, also restrict us from undertaking any amalgamation, reconstruction, takeover, or any schemes of compromise or arrangement or amending any provisions of our constitutional documents in a manner that affect the rights of our lenders. Further, under our secured financing arrangements, some of our lenders have a right to convert existing debt into fully paid up equity shares as well as appoint a director as nominee on the Board of our Company.

Further, under the secured financing arrangement, our Company would require the lender's prior written consent for the following actions:

- i. diluting majority shareholding of the Promoters;
- ii. effecting any change in the capital structure of the Company;
- iii. taking any additional borrowings;
- iv. creating or allowing to exist any encumbrance or security over charged assets;
- v. changing the ownership or control of our Company, resulting in any change in the beneficial ownership;
- vi. making any material change in the management of our Company;
- vii. borrowing from any person until the facilities have been paid in full;
- viii. entering into any scheme of merger, amalgamation, compromise or reconstruction;
- ix. amending the constitutional documents of our Company;
- x. pre-paying any indebtedness incurred by our Company;
- xi. making any corporate investments by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees;
- xii. making any payments or loans to its group companies;
- xiii. revalue the assets of the Company;
- xiv. implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure;
- xv. undertake guarantee obligations on behalf of any third party or any other company; and
- xvi. make any material modifications to the project which is detrimental to the interest of the lender.

B. Details of unsecured borrowings of our Company

Except as disclosed below, as on the date of filing of this Draft Red Herring Prospectus, our Company has not availed any unsecured borrowings.

S. No.	Lender	Description	Maturity Date	Significant Terms and Covenants
1.	HDFC Bank Limited	Commercial paper for ₹ 300 million to be utilized as working capital by the Company	March 1, 2016	<p>Some of the significant terms as prescribed by the RBI are stated hereunder.</p> <ul style="list-style-type: none"> • The tangible net worth of the Company is greater than the minimum requirement as stipulated for by the Reserve Bank of India; • The commercial paper sought by the Company shall be issued as a standalone product and not combined with any of the other products by the Company; • The commercial paper shall mature within the validity period of the credit rating; • The commercial paper shall not be issued at a discount and is issued by way of private placement only; and <p>The commercial paper has been given a rating of IND A1 by India Ratings and Research Private Limited and such rating is above the minimum rating prescribed by the Reserve Bank of India</p>
2.	HDFC Bank Limited	Commercial paper for ₹ 400 million to be utilized as working capital by the Company	March 29, 2016	<p>Some of the significant terms as prescribed by the RBI are stated hereunder.</p> <ul style="list-style-type: none"> • The tangible net worth of the Company is greater than the minimum requirement as stipulated for by the Reserve Bank of India; • The commercial paper sought by the Company shall be issued as a standalone product and not combined with any of the other products by the Company; • The commercial paper shall mature within the validity period of the credit rating; • The commercial paper shall not be issued at a discount and is issued by way of private placement only; and <p>The commercial paper has been given a rating of IND A1 by India Ratings and Research Private Limited and such rating is above the minimum rating prescribed by the Reserve Bank of India</p>

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no outstanding (i) criminal litigation; (ii) action by statutory or regulatory authorities involving our Company, subsidiary, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, subsidiary, Directors, Promoters or Group Companies for any direct or indirect tax liabilities; and (iv) other material litigations involving our Company, subsidiary, Directors, Promoters or Group Companies. Our Board, in its meeting held on December 24, 2015, has adopted a policy for identification of Group Companies, material creditors and material legal proceedings (“Materiality Policy”)

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or subsidiary during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); fines imposed against or compounding of offences by our Company, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vi) litigation or legal action, pending or taken, against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Red Herring Prospectus; (vii) other pending litigations involving our Company, subsidiary, Directors, Promoters, Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (ix) outstanding dues to small scale undertaking and other creditors; and (x) overdues or defaults to banks or financial institutions by our Company. From time to time, however, we may be involved in certain labour proceedings including for recovering dues and settlement of wages, in the ordinary course of our business.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, would be doing so at its own risk.

Other than the above-mentioned legal proceedings, our Company or subsidiary is not involved in any other material legal proceedings, determined pursuant to the Materiality Threshold. For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy of our Company, all other pending litigation involving our Company, subsidiary, Directors, Promoters and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the restated consolidated profit after tax of the Company, for fiscal 2015 or such pending litigation proceedings which are material from the perspective of the business, operations, prospects or reputation of our Company.

LITIGATION INVOLVING OUR COMPANY

Set forth below are details of the litigation involving our Company, as on the date of Draft Red Herring Prospectus.

Litigation against our Company

Tax proceedings

Set forth below are details of the direct and indirect tax proceedings initiated against our Company, as on the date of this Draft Red Herring Prospectus.

(₹ in million)		
Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct tax		
Income tax(including notices received under Section 143 of the Income Tax Act, 1961)	2	Nil
Sub-total (A)	2	Nil
Indirect tax		
Central excise/service tax	14	36.40

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Sales tax	7	9.34
Customs duty	1	9.31
Sub-total (B)	22	55.15
Total (A+B)	24	55.15

Other material litigation against our Company

Civil Proceedings

1. HEC-Infra Projects Limited filed a writ petition (No. 8183 of 2015(O)), before the High Court of Madhya Pradesh (Indore Bench), against the state of Madhya Pradesh, Ujjain Municipal Corporation and our Company, challenging the allotment of tender for manufacturing, supplying, installing, operating and maintaining LED street lighting and flood lighting works by Ujjain Municipal Corporation (Madhya Pradesh) to our Company. The value of our bid was ₹ 188.89 million. The High Court of Madhya Pradesh (Jabalpur Bench at Indore), by an order dated January 22, 2016, quashed the allotment of tender made in our favor by Ujjain Municipal Corporation (Madhya Pradesh) and directed the Economic Offence Wing, Bhopal (Madhya Pradesh) to investigate the matter. Further, it directed Ujjain Municipal Corporation (Madhya Pradesh) to re-allot the tender after undertaking a revised technical evaluation. Our Company filed a special leave petition (SLP (C) 3164 of 2016) dated January 29, 2016, before the Supreme Court of India, challenging the order dated January 22, 2016 of the High Court of Madhya Pradesh (Jabalpur Bench at Indore). Our Company also filed an interim application for stay of the order dated January 22, 2016 of the High Court of Madhya Pradesh (Jabalpur Bench at Indore). The Supreme Court by its order dated February 5, 2016 stayed the investigation by Economic Offence Wing and further by an order dated February 12, 2016 stayed the operation of the order dated January 22, 2016. The matter is pending as on date.
2. Havells India Limited and its promoter, Mr. Qimat Rai Gupta have initiated a suit for permanent injunction against our Company and our Promoters for restraining us from allegedly using their trademark 'Havell's' in our products and corporate name. For details, see “- *Litigation against our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings*” on page 318.

Litigation by our Company

A. Criminal Proceedings under the N.I. Act

Our Company has initiated 20 recovery proceedings against various entities, including 12 proceedings against authorised dealers, for dishonour of cheques under the provisions of Section 138 of the N.I. Act, pending before various authorities. The aggregate ascertainable amount involved in these proceedings is ₹ 14.92 million.

Additionally, in the past, our consignment agents have initiated 28 proceedings for recovery of payments amounting, in aggregate, to ₹ 13.90 million, including under the provisions of N.I. Act, against certain of our dealers to which, we are not parties. While we may, from time to time, provide assistance to such consignment agents to recover amounts due, we do not believe that any of these proceedings will have any adverse impact on us or our financial condition. However, we no longer enter into consignment agreements with such consignment agents. We have adopted the carrying and forwarding agent model of distribution, whereby we directly invoice our authorised dealers upon purchase of products.

B. Tax Proceedings

Set forth below are details of the tax proceedings initiated by our Company, as on the date of Draft Red Herring Prospectus:

(₹ in million)		
Nature of tax involved	Number of cases	Amount involved
Indirect Tax		
Sales Tax	1	12.00
Total	1	12.00

LITIGATION INVOLVING OUR SUBSIDIARY AND JOINT VENTURES

I. Litigation involving Himachal Energy*

Set forth below are details of the litigation involving Himachal Energy, as on the date of Draft Red Herring Prospectus.

Litigation against Himachal Energy

Tax Proceedings

Set forth below are tax proceedings involving Himachal Energy.

(₹ in million)		
Nature of tax involved	Number of cases	Ascertainable amount involved
Direct Tax		
Income Tax (including notices received under Section 143 of the IT Act)	3	1.53
Total	3	1.53

Litigation by Himachal Energy

Arbitration Proceedings

Himachal Energy initiated arbitration proceedings against the Himachal Pradesh State Electricity Board, Shimla (“HPSEB”) on February 16, 2015, under the terms of contract in relation to projects on a turnkey basis, awarded by HPSEB to Himachal Energy on February 28, 2009 and March 2, 2009. Himachal Energy sought the issue of C-Forms, required to be issued by HPSEB in accordance with the terms of such contract, that is required under the provisions of the Central Sales Tax Act, 1956. In the alternative, Himachal Energy, claimed deposit of ₹ 25.90 million (excluding any interest and penalty on tax) from HPSEB for non-issue of C-Forms for fiscals 2010, 2011, 2012 and 2013. The arbitration tribunal, by its award dated February 17, 2016, directed the HPSEB to issue C-Forms, under the provisions of the Central Sales Tax Act, 1956 for fiscals 2010, 2011, 2012 and 2013, with respect to contracts awarded to Himachal Energy, excluding for sales for which such C-Forms had previously been issued. Further, if such C-Forms were not issued by the HPSEB within two months of such request made by Himachal Energy, the arbitral tribunal directed HPSEB to pay ₹ 25.90 million to Himachal Energy, excluding for sales for which such C-Forms had previously been issued and any penalty and interest that the relevant sales tax authority may levy. As on the date of this Draft Red Herring Prospectus, HPSEB has not filed any appeal against the award dated February 17, 2016.

**Himachal Energy and HPL Projects Portfolio Private Limited have filed the Scheme of Demerger before the High Court of Himachal Pradesh. Subsequent to the approval and implementation of the Scheme of Demerger, our Company will convert 15,000,000 optionally convertible debentures of Himachal Energy held by us, into equity shares of Himachal Energy. Pursuant to such conversion, our Company will hold 97.15% of the equity share capital of Himachal Energy and accordingly, Himachal Energy will become our subsidiary.*

II. Joint Ventures

Set forth below are details of the litigation involving our Joint Ventures, as on the date of Draft Red Herring Prospectus.

Shriji Designs JV

Litigation against Shriji Designs JV

Tax Proceedings

Set forth below are tax proceedings initiated against our Joint Venture, Shriji Designs JV, as on the date of this Draft Red Herring Prospectus.

(₹ in million)		
Nature of tax involved	Number of cases	Amount involved

Direct Tax		
Income tax (including notices received under Section 143 IT Act)	2	Nil
Total	2	Nil

Shriji Designs – Trimurthi Hitech JV

Litigation against Shriji Designs – Trimurthi Hitech JV

Tax Proceedings

Set forth below are details of tax proceedings against our Joint Venture, Shriji Designs – Trimurthi Hitech JV, as on the date of this Draft Red Herring Prospectus.

(₹ in million)		
Nature of tax involved	Number of cases	Amount involved
Direct Tax		
Income tax (including notices received under Section 143 IT Act)	2	Nil
Total	2	Nil

LITIGATION INVOLVING OUR DIRECTORS

Set forth below are details of the litigation involving our Directors, as on the date of Draft Red Herring Prospectus.

Mr. Lalit Seth

For details of legal proceedings involving our Chairman cum Managing Director, Mr. Lalit Seth, see the section titled “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth*” and “- *Litigation involving our Promoters – Litigation by Mr. Lalit Seth*” on pages 318 and 319, respectively.

Mr. Rishi Seth

Litigation against Mr. Rishi Seth

Regulatory proceedings

For details of regulatory proceedings against our Joint Managing Director, Mr. Rishi Seth, see “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Regulatory Proceedings*” on page 318.

Tax Proceedings

Set forth below are details of the tax proceedings against Mr. Rishi Seth, as on the date of Draft Red Herring Prospectus:

(₹ in million)		
Nature of tax involved	Number of cases	Amount involved
Direct Tax		
Income Tax	1	0.48
Total	1	0.48

Litigation by Mr. Rishi Seth

Civil proceedings

For details of civil proceedings initiated by our Joint Managing Director, Mr. Rishi Seth, see “- *Litigation involving our Promoters -Litigation by Mr. Lalit Seth – Civil proceedings*” on page 319.

Mr. Gautam Seth

Litigation against Mr. Gautam Seth

Regulatory proceedings

For details of regulatory proceedings against our Joint Managing Director, Mr. Gautam Seth, see “– **Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Regulatory Proceedings**” on page 318.

Tax Proceedings

Set forth below are details of the tax proceedings against Mr. Gautam Seth, as on the date of Draft Red Herring Prospectus.

(₹ in million)		
Nature of tax involved	Number of cases	Amount involved
Direct Tax		
Income Tax	2	0.73
Total	2	0.73

Litigation by Mr. Gautam Seth

Civil Proceedings

For details of civil proceedings initiated by our Joint Managing Director, Mr. Gautam Seth, see “– **Litigation involving our Promoters -Litigation by Mr. Lalit Seth – Civil proceedings**” on page 319.

LITIGATION INVOLVING OUR PROMOTERS

There is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Draft Red Herring Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Set forth below are details of other litigation involving our Promoters, as on the date of Draft Red Herring Prospectus.

Mr. Lalit Seth

Set forth below are details of legal proceedings involving our Promoter, Mr. Lalit Seth, as on the date of this Draft Red Herring Prospectus.

Litigation against Mr. Lalit Seth

Regulatory proceedings

The Revenue Officer, Kasauli (Himachal Pradesh) issued a notice June 28, 2010 against our Promoter, Mr. Lalit Seth, our Joint Managing Directors, Mr. Rishi Seth and Mr. Gautam Seth and our Group Company, JIPL, alleging encroachment of certain government land in Solan (Himachal Pradesh). Pursuant to an *ex-parte* order dated December 30, 2011, the Assistant Collector, Kasauli directed our Promoter, Mr. Lalit Seth, to evict this land and further, issued a warrant of ejectment against Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and JIPL. Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and JIPL, have filed an appeal before the Court of the Collector, Kasauli (Himachal Pradesh) challenging the order dated December 30, 2011 of the Assistant Collector, Kasauli (Himachal Pradesh). The Collector, Kasauli (Himachal Pradesh), by an order dated August 30, 2012, upheld the order of the Assistant Collector, Kasauli (Himachal Pradesh). Subsequently, Mr. Lalit Seth, Mr. Rishi Seth, Mr. Gautam Seth and JIPL filed a revision petition before the Financial Commissioner (Appeals), Himachal Pradesh at Shimla, challenging the order of the Collector, Kasauli (Himachal Pradesh), who, by an order dated November 26, 2015 remanded such revision petition to the Assistant Collector – II, Kasauli (Himachal Pradesh).

Civil proceedings

Havells India Limited and Q.R.G. Enterprises (“**QRG**”) have initiated a suit (C.S. (O.S.) 1333 of 2004) before the Delhi High Court against our Promoters, our Company and one of our distributor, seeking a permanent injunction against the use of the word ‘*Havell’s*’ as part of our trademark or in our corporate name, alleging infringement of

the trademark. Additionally, QRG has also sought damages of ₹ 2.50 million and for delivery of all infringing products to QRG. The trademark (registered under classes 7, 9 and 11) was transferred to Havell's Industries (now Havells India Limited), without the goodwill of the business, pursuant to a deed of assignment dated October 9, 1971. Further, QRG sought for an interim injunction against us using the trademark 'Havell's', which was rejected by the order dated April 26, 2005 of the High Court of Delhi and subsequently, upheld by the Division Bench of the High Court of Delhi, by an order dated September 12, 2007. However, the High Court of Delhi restricted our Company and our Promoters from using the word 'Havell's' in a prominent or ubiquitous manner that may transform it into a trademark.

QRG subsequently filed a special leave petition (Civil) (No. 20379-20380 of 2007) before the Supreme Court of India, challenging the order of the Division Bench of the Delhi High Court. The Supreme Court, by an order dated November 12, 2007, disposed of the petition upholding the order dated September 12, 2007 of the Division Bench of the High Court of Delhi. QRG filed two more suits (no. 928 of 2010 and 929 of 2010) before the Delhi High Court, which pursuant to orders dated May 13, 2010 of the Registrar of the High Court of Delhi, will now be heard with suit 1333 of 2004. Additionally, QRG filed an interim application (I.A. No. 20034/2013) before the High Court of Delhi for impleading the relevant registrar of companies and further to amend the plaint, seeking to remove the names of Havell's Private Limited and HEPL from the register of companies. The High Court of Delhi, by an order dated February 7, 2014 dismissed the application. QRG filed an appeal (O.A. No. 23 of 2014) before the High Court of Delhi challenging the order dated February 7, 2014.

Litigation by Mr. Lalit Seth

Civil proceedings

Our Promoter, Mr. Lalit Seth, our Joint Managing Directors, Mr. Rishi Seth and Mr. Gautam Seth and JIPL, our Group Company, filed a civil suit before the High Court of Himachal Pradesh against Mr. Bidhi Chand, Mr. Mahendra Singh and Mr. T.S. Pannu, seeking a direction restraining them from interfering with and obstructing the passage in relation to the land situated at khasra nos.82,94 and 95 in the Solan district (Himachal Pradesh), pursuant to an agreement dated December 8, 1997. The High Court of Himachal Pradesh, by an order directed the defendants in the matter not to obstruct such passage until further orders. Further, the High Court of Himachal Pradesh appointed a mediator to facilitate a compromise on common passage on the said land. Subsequently, both parties mutually agreed to a compromise, which they executed on May 1, 2012. Accordingly, our individual Promoter, our Joint Managing Directors and JIPL have applied for permission under Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972 on November 18, 2013, as condition precedent to the implementation of the compromise. The amount involved in this proceeding is ₹ 3.20 million.

HIL

Litigation against HIL

Tax proceedings

Set forth below are details of the tax proceedings against HIL, as on the date of Draft Red Herring Prospectus.

(₹ in million)

Nature of tax involved	Number of cases	Amount involved
Direct Tax		
Income Tax	2	Nil
Total (A)	2	Nil
Indirect Tax		
Central Excise	8	5.59
Sales Tax	3	2.30
Total (B)	11	7.89
Total (A+B)	13	7.89

Litigation by HIL

Criminal litigation

HIL has initiated three proceedings against certain entities on account of dishonour of cheques under the provisions of Section 138 of the N.I. Act, pending before various authorities. The aggregate ascertainable amount involved in these proceedings is ₹3.32 million.

HEPL

Litigation against HEPL

Tax Proceedings

Set forth below are details of the tax proceedings against HEPL, as on the date of Draft Red Herring Prospectus.
(₹ in million)

Nature of tax involved	Number of cases	Amount involved
Indirect Tax		
Central Excise / Service Tax	6	7.27
Sales Tax	8	3.54
Total	14	10.81

Civil proceedings

For details of civil proceedings initiated by our Promoter, Havell's Private Limited, see the section titled “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings*” on page 319.

Havell's Private Limited

Litigation against Havell's Private Limited

Civil proceedings

For details of civil proceedings initiated by our Promoter, Havell's Private Limited, see the section titled “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings*” on page 319.

LITIGATION INVOLVING OUR GROUP COMPANIES

JIPL

Tax Proceedings

Set forth below are details of the tax proceedings against JIPL, as on the date of Draft Red Herring Prospectus.

Nature of tax involved	Number of cases	Amount involved
Direct Tax		
Income Tax	1	Nil
Total (A)	1	Nil

Litigation against JIPL

Regulatory proceedings

For details of regulatory proceedings against our Group Company, JIPL, see the section titled “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Regulatory proceedings*” on page 318.

Litigation initiated by JIPL

Civil proceedings

For details of civil proceedings initiated by our Group Company, JIPL, see the section titled “- *Litigation involving our Promoters – Litigation against Mr. Lalit Seth – Civil proceedings*” on page 319.

AMOUNT OWED TO SMALL SCALE UNDERTAKINGS OR OTHER CREDITORS

As on September 30, 2015, our Company had 1,168 creditors and certain sundry creditors to whom cheques had been issued, but had not been presented for payment as on September 30, 2015. The aggregate amount outstanding to such creditors as on September 30, 2015 was ₹ 2,835.90 million, on a standalone basis. As per the requirements of SEBI ICDR Regulations, our Company, pursuant to a resolution of our Board dated December 24, 2015, considered creditors to whom an amount exceeding ₹ 104.51 million, which is 1% of the total standalone revenue for the period ending March 31, 2015, is outstanding, for the purpose of identification of 'material' creditors. Based on the above, there are 6 material creditors of our Company on September 30, 2015, to whom an aggregate amount of ₹ 678.66 million was outstanding on such date.

Further, 111 creditors of our Company have been identified as small scale undertakings by our Company based on available information, to whom, as aggregate amount of ₹ 333.24 million was outstanding as on September 30, 2015, on a standalone basis. For more information, see "*Financial Statements – Annexure 12 – Restated Standalone Statement of Trade Payables, Other Current Liabilities and Short Term Provisions*" on page 208.

Details in relation to the amount owed by us to small scale undertakings and other creditors are also available on our website www.hplindia.com.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the last five years preceding the date of this Draft Red Herring Prospectus.

STATUTORY DUES

Except as stated in "*Restated Standalone Financial Statements – Annexure 5*" on page 241, our Company does not have any outstanding statutory dues and has not made any defaults or committed any acts involving non-payment of its statutory dues as on September 30, 2015.

PAST CASES WHERE PENALTIES WERE IMPOSED OFFENCES WERE COMPOUNDED OR PROSECUTIONS WERE FILED

There are no past cases preceding the date of this Draft Red Herring Prospectus, where penalties were imposed on our Company by relevant authorities/courts. Further, other than as disclosed below, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus.

1. Our Company has filed a compounding application dated October 9, 2015 before the Controller of Legal Metrology, Kerala for compounding of offences under Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 in relation to sale of switchgears by our Company to its dealer without any retail sale price mentioned on the packages. The Company has paid compounding fees of ₹ 0.025 million.
2. Our Company received a notice dated June 18, 2013 from the Uttar Haryana Bijli Vitran Nigam Limited, alleging loss to it due to theft of electricity, in terms of the Electricity Act, at our Gharaunda Facility, requiring us to deposit the assessed amount of ₹ 1 million. Our Company further received a notice dated June 18, 2013 stating that a complaint had been filed against our Company with appropriate authorities in this regard and further, directing our Company to pay an amount of ₹ 0.29 million in the event our Company intended to compound such offence and appear before the relevant Sub-divisional Officer. Our Company paid the assessed amount and the amount payable for compounding of the offence of theft of electricity. There has been no further communication from Uttar Haryana Bijli Vitran Nigam Limited.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

Except as disclosed below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act in the last five years immediately preceding the year of issue of the Draft Red Herring Prospectus in the case of Company, Promoters, Directors and its Subsidiary:

The Chief Inspector of Factories, Chandigarh issued a show cause notice dated April 21, 2015, requiring us to show cause as to why legal action should not be taken against our Company for certain alleged violations that

were observed by the Assistant Director (Industrial Safety and Health), Gurgaon III, during an inspection of our Gurgaon Facility I on April 18, 2015, and directed our Company to submit a compliance report in this regard. These alleged violations include undertaking large scale alterations without obtaining prior approval, lack of adequate safety and precautionary measures, including to combat hazards involving flammable substances, absence of safety audit carried out by competent agency and overcrowding in working areas. Our Company submitted the compliance report to the Chief Inspector of Factories, Chandigarh on May 19, 2015. We have not received any further communication from the Assistant Director (Industrial Safety and Health), Gurgaon III regarding the show cause notice.

MATERIAL DEVELOPMENTS

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 287, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring 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.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. INCORPORATION AND OTHER DETAILS

1. Initial certificate of incorporation dated May 28, 1992 issued to our Company by the RoC in the name of 'HPL-Socomec Private Limited'.
2. Fresh certificate of incorporation dated December 14, 2015, consequent upon conversion of our Company to a public limited company issued by the RoC, in the name of 'HPL Electric & Power Limited' issued by the RoC.

II. APPROVALS IN RELATION TO OUR OPERATIONS

Set forth below is a brief description of the approvals received by our Company for its business operations. The material approvals obtained in respect of our operations and listed below are valid as on the date of this Draft Red Herring Prospectus. Some of these approvals may expire in the ordinary course of our business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. Further, these approvals and licenses are subject to the effective implementation of the conditions contained therein.

Registrations under the Shops and Establishment Acts

Shops and Establishment Acts are state legislations that seek to govern and regulate the working conditions of workers/employees employed in shops and commercial establishments within that state. We obtain registration for our branch offices and our warehouses managed by our carrying and forward agents under the relevant Shops and Establishment Act, as per the procedures laid down therein, from time to time.

Importer Exporter Code

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
1.	Importer Exporter Code issued by the Foreign Trade Development Officer, Office of the Joint Director General of Foreign Trade, A-Wing, Indraprastha Bhawan, I.P. Estate, New Delhi 110 002, India	0593018923	April 1, 1993	Valid until cancellation

Gurgaon Facility I

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
<i>Approvals related to the manufacturing facility</i>				
1.	Industrial entrepreneur memorandum for the manufacture of electronic static energy meter up to 5 million units, issued by Secretariat for Industrial Assistance, MCI	3365/SIA/IMO/2010	October 6, 2010	Not Applicable
<i>Environment related approvals</i>				
1.	Certificate granting exemption from obtaining no objection certificate for discharge of effluent under Air Act and Water	HSPCB/GR/2009/7501	September 15, 2009	Not Applicable

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
	Act issued by the Haryana State Pollution Control Board*			

Labor related approvals

1.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Regional Provident Fund office, Gurgaon, Haryana	HR/FD/10107	March 30, 1999	Not Applicable
2.	Certificate of registration issued under Employee State Insurance Act, 1948 issued by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Haryana	13/24342/57	November 20, 1998	Not Applicable
3.	Registration under the CLRA covering 250 workers to carry out manufacture of meters issued by office of Labour Commissioner and Registering Officer, Chandigarh, Haryana	CLA/C/631	June 20, 2013	Not Applicable

Miscellaneous Approvals

1.	Compliance certificate in relation to compliance of motors installed at Gurgaon Facility I with applicable rules issued by the Executive Engineer, Electrical Inspectorate, Haryana	Memo Nos. H.T.I/121	January 2016 (issued on January 21, 2016)	December 2016
2.	Approval for energization of diesel generator set installation issued by the Executive Engineer, Electrical Inspectorate, Haryana	Memo No. 120	January 21, 2016	December 2016

Pending applications

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for renewal of registration and license issued under the Factories Act, 1948	Labour Department, Haryana	Form – 2	February 2, 2016
2.	Application for renewal of the no objection certificate with respect to fire safety arrangement	Municipal Corporation, Gurgaon, Haryana	201509125850	September 12, 2015

* In case water consumption exceeds 25KLD in the future, or any change in the manufacturing process, the exemption would deemed to be revoked and no objection certificate/consent would have to be sought

Gurgaon Facility II

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
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Approvals related to the manufacturing facility

1.	Industrial entrepreneur memorandum for the manufacture of meters parts, switchgears parts etc. up to 15 million units, issued by the Secretariat for Industrial Assistance, MCI	1843/SIA/IMO/2011	June 7, 2011	Not Applicable
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Environment related approvals

1.	Certificate granting exemption from obtaining no objection certificate for discharge of effluent under Air Act and Water Act issued by the Haryana State Pollution Control Board*	HSPCB/GRS/2013/5350	January 14, 2014	Not Applicable
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Labor related approvals

1.	Registration and license issued under the Factories Act, 1948 issued by the Chief Inspector of Factories, Labour Department, Haryana	GGN-ONLINE-GGN-H-25	November 28, 2014	December 31, 2016
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Regional Provident Fund office, Gurgaon, Haryana	HR/GGN/28792	August 27, 2007	Not Applicable
3.	Certificate of registration issued under the Employee State Insurance Act, 1948 issued by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Haryana	13/42665	July 18, 2008	Not Applicable
4.	Registration under CLRA covering 375 workers issued by the Labour Commissioner, Chandigarh, Haryana	Not Applicable	July 2, 2013	Not Applicable

Miscellaneous Approvals

1.	No objection certificate with respect to diesel generator set installation issued by the Electrical Inspectorate, Haryana	H.T.I/06	December 1, 2015	November 30, 2016
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Pending applications

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for renewal of no objection certificate with respect to fire safety arrangement made to Municipal Corporation, Gurgaon	Municipal Corporation, Gurgaon, Haryana	201510193765	October 19, 2015

*In case water consumption of electrical and electronics meter exceeds 10 KLD in the future, or any change in the

manufacturing process, the exemption would be deemed to be revoked and no objection certificate/consent would have to be sought

Sonepat Facility

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
<i>Approvals related to the manufacturing facility</i>				
1.	Industrial entrepreneur memorandum for the manufacture of electrical appliances including CFL, cables wires and other accessories of manufacture issued by Secretariat for Industrial Assistance, MCI	480/SIA/IMO/2008	February 22, 2008	Not Applicable
2.	Industrial entrepreneur memorandum for the manufacture of solar based lighting luminaries and appliances, LED lighting, luminaries for indoor and outdoor application and LED products, up to 9.04 units, issued by Secretariat for Industrial Assistance, MCI	235/SIA/IMO/2011	January 24, 2011	Not Applicable
<i>Environment related approvals</i>				
1.	Consent to operate for discharge of effluent under Sections 25/26 of Water Act issued by the Haryana State Pollution Control Board	HSPCB/Consent/: 2846015SONCTO1649063	April 11, 2015	March 31, 2017
2.	Consent to operate for discharge of effluent under Sections 21/22 of the Air Act issued by the Haryana State Pollution Control Board	HSPCB/Consent/: 2846015SONCTOHWM1649063	April 11, 2015	March 31, 2017
<i>Labor related approvals</i>				
1.	Registration and license issued under the Factories Act, 1948 by the Chief Inspector of Factories, Labour Department, Haryana	SPT/ H-63	April 22, 2013	December 31, 2017
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional Provident Fund Commissioner, Regional Provident Fund Office, Haryana	HR/KNL/35492	September 19, 2007	Not Applicable
3.	Certificate of registration issued under Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Haryana	13/43095-0604	January 18, 2008	Not Applicable
4.	Registration under the CLRA for manufacturing of CFL, lighting and allied products covering 450 workers issued by office of Labour Commissioner, Chandigarh, Haryana	CLA/SPT/13/139	September 9, 2013	Not Applicable

Miscellaneous Approvals

1.	No objection certificate with respect to fire safety arrangement issued by the Fire Safety Officer, for the Deputy Commissioner, Sonapat	117/637/Fire	July 22, 2015	July 21, 2016
2.	No objection certificate with respect to diesel generator set installation issued by the Electrical Inspectorate, Haryana	2932	September 2, 2015	September 1, 2016

Kundli Facility

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
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Approvals related to manufacturing facility

1.	Industrial entrepreneur memorandum for the manufacture of parts of electronic energy meter, switchgears, MCBs, MCCBs and parts of CFL, PCB – CFL, copper blast, parts of TS – FTL luminaries, wires, cables and meter or other miscellaneous products, upto 5 million units, issued by Secretariat for Industrial Assistance, MCI	No.2840/SIA/IMO/2010	August 26, 2010	Not Applicable
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Environment related approvals

1.	Consent to operate for discharge of effluent under Sections 25/26 of Water Act issued by the Haryana State Pollution Control Board	HSPCB/Consent/: 2809515SONCTO1770758	April 21, 2015	March 31, 2017
2.	Consent to operate for discharge of effluent under Sections 21/22 of the Air Act issued by the Haryana State Pollution Control Board	HSPCB/Consent/: 2809515SONCTOHWM1770758	April 21, 2015	March 31, 2017
3.	Authorization for operating a facility for collection, reception, treatment, storage, transportation and disposal of hazardous wastes	HSPCB/Consent/: 2809515SONCTOHWM1770758	April 21, 2015	March 31, 2017

Labor related approvals

1.	Registration and license issued under the Factories Act, 1948 for employing not more than 475 persons by the Chief Inspector of Factories, Labour Department, Haryana	SPT-ONLINE-CHD-H-11	January 11, 2016	December 31, 2020
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional Provident Fund Commissioner, Regional Provident Fund office, Karnal,	HRKNL/0038300/000/0 – 1 -970	July 20, 2011	Not Applicable

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
3.	Haryana Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Haryana	13-00-070547-000-0905	June 23, 2011	Not Applicable
4.	Registration under the CLRA, covering 450 workers for manufacture of switchgear, lighting and allied products issued by the office of Labour Commissioner, Chandigarh, Haryana	CLA/SPT/14/217	December 23, 2013	Not Applicable

Miscellaneous Approvals

1.	No objection certificate with respect to diesel generator set installation issued by the Electrical Inspectorate, Haryana	Memo No. 3121	September 22, 2015	September 21, 2016
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Pending applications

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for renewal of the no objection certificate with respect to fire safety arrangement made to the Fire Station Officer, Kundli (Haryana)	Fire Station Officer, Kundli (Haryana)	Not Applicable	September 1, 2015

Jabli Facility

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
1.	Industrial entrepreneur memorandum for the manufacture of MCB up to 10 million poles, MCB Isolator up to 0.6 million units, MCB Changeover up to 0.3 million units, ELCB up to 0.07 million units, fuse up to 0.03 million units issued by the Secretariat for Industrial Assistance, MCI	02/009/12/50052	August 16, 2007	Not Applicable

Environment related approvals

1.	Consent to establish and operate for manufacturing of MCB, earth leakage, circuit breaker, all types of switchgear and distribution board and accessories under Air Act and Water Act, issued by the Himachal Pradesh State Pollution Control Board	PCB (125) HPL Electric & Power Pvt. Ltd. (16890)2014-550-554	April 9, 2014	March 31, 2016
2.	Authorization for operating a facility for collection, reception, treatment, storage, transportation and disposal of hazardous wastes	PCB/HWMR/(1134) HPL Electric & Power Pvt. Ltd. (16890)/2014-2866-70	May 13, 2014	March 31, 2018

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
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Labor related approvals

1.	Registration and license issued under the Factories Act, 1948 for 500 workers and 1,000 HP of electric load, issued by the Chief Inspector of Factories, Labour Department, Himachal Pradesh	L&E(FAC)9-20141277-625	January 1, 2016 (issued on January 8, 2016)	December 31, 2016
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional Provident Fund Commissioner, Regional Provident Fund office, Shimla, Himachal Pradesh	HP/4989	May 24, 2006	Not Applicable
3.	Certificate of registration issued under Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Himachal Pradesh	HP. 14-32657-64	March 24, 2009	Not Applicable
4.	Registration under the CLRA, covering 200 workers to carry out manufacture of RCB, MCB, RCCB and accessories issued by the office of Labour Commissioner, Himachal Pradesh	No.LO(SZ)SLN-PE-471	December 2, 2015	Not Applicable

Miscellaneous Approvals

1.	No objection certificate with respect to diesel generator set installation made to Himachal Pradesh State Electricity Board	HPSEB/CE(Comm)/PC-DGS(XVI)/2006-3738-44	June 24, 2006	Not Applicable
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Pending Applications

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for the renewal of the no objection certificate with respect to fire safety arrangement made to the Chief Fire Station Officer, Shimla, Himachal Pradesh	Fire Officer, Shimla, Himachal Pradesh	HEPL/HR/2016	January 27, 2016

Gharaunda Facility

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
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Approvals related to manufacturing facility

1.	Industrial Entrepreneur Memorandum for the manufacture of electrical wires and cables, up to 0.21 million units, issued by Secretariat for Industrial Assistance, MCI	1294/SIA/IMO/2014	September 10, 2014	Not Applicable
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Environment related approvals

1.	Consent to operate for discharge of effluent under Section 21/22 of the Air	2844615KARCTOHWM14002 61	January 16, 2015	March 31, 2016
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S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
	Act issued by the Haryana State Pollution Control Board			
2.	Consent to operate for discharge of effluent under Section 25/26 of Water Act issued by the Haryana State Pollution Control Board	2844615KARCTO1400261	January 16, 2015	March 31, 2016

Labor related approvals

1.	Registration and license issued under the Factories Act by the Chief Inspector of Factories, Labour Department, Haryana	KNL-ONLINE-CHD-H-24	September 2, 2014	December 31, 2018
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional Provident Fund Commissioner, Regional Provident Fund office, Karnal, Haryana	HRKNL1013326	August 21, 2014	Not Applicable
3.	Certificate under the CLRA, covering 250 workers for manufacture of wires and cables issued by office of Labour Commissioner, Chandigarh, Haryana	CLA/RC-3339/HR/101/KNL/4	April 18, 2014	Not Applicable

Miscellaneous approvals

1.	No objection certificate issued by Fire Station Officer, Kundli, Haryana, with respect to fire safety arrangement for the Gharaunda Facility	Memo NO/FSK/35	February 2, 2016 (issued on January 27, 2016)	February 1, 2017
2.	No objection certificate for diesel generator set installation made to Electrical Inspectorate, Haryana for the Gharaunda Facility	HTI/KNL/June/202/2014/5718	November 3, 2015	November 2, 2016

III. APPROVALS IN RELATION TO OUR R&D CENTRES

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
1.	Certificate of Registration issued by the Ministry of Science and Technology, Department of Scientific and Industry Research Technology, Government of India for the Gurgaon I R&D Facility and the Kundli R&D Facility	F. No. TU/IV-RD/2808/2015	April 1, 2015	March 31, 2018

IV. APPROVALS IN RELATION TO THE OPERATIONS OF HIMACHAL ENERGY

Importer Exporter Code

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
1.	Importer Exporter Code issued by the Foreign Trade Development Officer, Office of the Joint Director General of Foreign Trade, SCO, 288, Sector-35D, Chandigarh – 160 022, India	2205002392	September 13, 2005	Valid until cancellation

S. No.	Particulars	Registration/Reference No.	Date of Issue	Date of Expiry
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Approvals related to manufacturing facility

1.	Industrial Entrepreneur Memorandum for the manufacture of electronic energy meters, panel meters, clips for panel meters up to 1.2 million units, issued by Secretariat for Industrial Assistance, MCI	EM No. 02/009/12/50051	August 16, 2007	Not Applicable
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Environment related approvals

1.	Consent to operate for discharge of effluent under Air Act and Water Act issued by the Himachal Pradesh State Pollution Control Board	PCB (124) Himachal Energy Pvt. Ltd. (15502) 2014 – 26529 -32	March 19, 2014	March 31, 2016
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Labor related approvals

1.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, Regional Provident Fund office, Himachal Pradesh	PN/SM/HP5121/Con/Enf./4976	August 12, 2006	Not Applicable
2.	Certificate under the CLRA, covering 250 workers for manufacture of wires and cables issued by office of Labour Commissioner, Himachal Pradesh	NO. LO (SZ) SLN – PE - 472	December 2, 2015	Not Applicable

Miscellaneous approvals

1.	No objection certificate for diesel generator set installation made to Electrical Inspectorate, Haryana for Himachal Energy	HPSEB/CE(Comm)/PC/DGS(X VI)/2006-3731-37	June 24, 2006	Not Applicable
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Pending Applications

S. No.	Particulars	Authority applied to	Application No.	Date of Application
1.	Application for renewal of registration and license made under the Factories Act to Chief Inspector of Factories, Labour Department, Himachal Pradesh	Chief Inspector of Factories, Labour Department, Himachal Pradesh	Form - 3	October 27, 2015
2.	Application for the renewal of the no objection certificate with respect to fire safety arrangement made to Chief Fire Officer, Shimla, Himachal Pradesh	Fire Officer, Shimla, Himachal Pradesh	HEPL/HR/01/2016	January 27, 2016

V. QUALITY CERTIFICATIONS

Quality certifications for our manufacturing facilities

Gurgaon Facility I

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 standard of our electrical	British Standards Institution, Quality Management System	FM 72046	January 9, 2003	November 8, 2017

	energy meter (static/electronic) manufactured at Gurgaon Facility I				
2.	Certificate of registration certifying compliance of our environment management system with requirements of ISO 14001:2004 standard of our electrical energy meter (static/electronic) and energy measurement system manufactured at Gurgaon Facility I	British Standards Institution, Environment Management System	EMS553844	October 8, 2009	October 21, 2017

Gurgaon Facility II

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 standard for our electronics manufacture services, testing of printed circuit boards ("PCBs") and design and development of PCBs for lighting products manufactured at Gurgaon Facility II	British Standards Institution, Quality Management System	FM 616127	July 3, 2014	June 19, 2017
2.	Certificate of registration certifying environment management system with requirements of ISO 14001:2004 standard for our electronics manufacture services, testing of PCBs and design and development of PCBs for lighting products manufactured at Gurgaon Facility II	British Standards Institution, Quality Environment System	EMS 616129	July 3, 2014	June 19, 2017

Sonepat (Haryana)

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 standard of our compact fluorescent lamps and LED lighting products manufactured at the Sonepat Facility	TUV SUD South Asia Private Limited	9910010253	September 15, 2014	September 14, 2017

Kundli Facility

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
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1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 standard for our design, manufacture and supply of low voltage, low tension switchgear products, fuse gear products, control gear products, circuit breakers, enclosures, distribution panels, luminaries/lighting fixtures and accessories products manufactured at the Kundli Facility	British Standards Institution, Quality Management System	FM80598	December 08, 2003	October 16, 2018
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Jabli Facility

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 registration for design and manufacturing of low tension switchgear, MCB and distribution boards manufactured at the Jabli Facility	TUV SUD Asia Private Limited	9910003520	December 11, 2013	December 9, 2016
2.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 14001:2004 registration for design and manufacturing of low tension switchgear, MCB and distribution boards manufactured at the Jabli Facility	TUV SUD Asia Private Limited	9910400189	March 5, 2014	March 4, 2017
3.	Certificate of registration certifying compliance of our occupational health and safety management system with requirements of OHSAS 18001:2007 registration for design and manufacturing of low tension switchgear, MCB and distribution boards, switch and socket manufactured at the Jabli Facility	TUV SUD Asia Pacific, TUV SUD Group	TUV116071689	December 11, 2013	December 1, 2016

Gharaunda Facility

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our quality management system with requirements of ISO 9001:2008 standard for our registration design, manufacture and supply of PVC insulated and sheathed cables for working voltages upto and including 1100 volts,	TUV SUD Asia Private Limited	9910011271	November 13, 2009	July 16, 2018

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
	for electrical equipment manufactured at the Gharaunda Facility				
2.	Certificate of registration certifying compliance of our environment management system with requirements of ISO 14001:2004 registration for our PVC insulated and sheathed cables for working voltage up to and including 1100 volts manufactured at the Gharaunda Facility	Absolute Quality Certification Private Limited	1014EAG92	November 26, 2014	November 25, 2017
3.	Certificate of registration certifying compliance of our occupational health and safety management system with requirements of OHSAS 18001:2007 registration for manufacturing and supply of PVC insulated and sheathed cables for working voltage upto and including 1100 volts manufactured at the Gharaunda Facility	Absolute Quality Certification Private Limited	1014OAC89	November 26, 2014	November 25, 2017

In relation to products manufactured at our manufacturing facilities we are required to obtain and maintain certifications, including the 'ISI' mark from the BIS. Additionally, we have obtained certifications from various international agencies in respect of our products conforming to certain international standards. These certifications may expire from time to time and require periodic renewal.

Quality certifications for the manufacturing facility of Himachal Energy

S. No.	Particulars	Issuing Entity	Certificate No.	Date of Issue	Date of Expiry
1.	Certificate of registration certifying compliance of our information security system with requirements of ISO 27001:2013 registration for static energy metering systems manufactured at Himachal Energy	United Accrediting Services Limited	ISMS/01089/0614	July 16, 2015	June 18, 2017
2.	Certificate of registration certifying compliance of our environmental management system with requirements of ISO 14001:2004 registration for the design and manufacture of electrical energy meters (static/electronics) manufactured at the facility of Himachal Energy	British Standards Institution, Environment Management System	EMS 608709	January 21, 2014	January 15, 2017

VI. INTELLECTUAL PROPERTY REGISTRATIONS

Set forth below are the trademarks registered by our Company under the Trademarks Act, 1999

S. No.	Description	Class	Registration No.	Date of Application	Expiry Date
1.	LK HPL (Device)	11	1349912	April 8, 2005	April 8, 2025
2.	HPL (Device)	11	527714	April 9, 1990	April 9, 2020
3.	HPL (Device)	7	307337	August 1, 1975	August 1, 2020
4.	HPL (Device)	9	307338	August 1, 1975	August 1, 2020



5.	<i>HPL</i> (Device)	11	307339	August 1, 1975	August 1, 2020
6.	<i>HPL Techno</i> (Device)	9	1012061	May 25, 2001	May 25, 2021
7.	<i>HPL</i> (Word)	7	307337	August 1, 1975	August 1, 2020

Pending Applications

Set forth below are the applications made by our Company for registration of trademarks or for the renewal of registration of trademarks, which are pending as on date of this Draft Red Herring Prospectus.

S. No.	Description	Class	Application No.	Date of Application
1.	<i>HPL Rakshak</i> (Label)	9	1247922	November 6, 2003
2.	<i>Art Meets State-Of-The-Art</i> (Device)	9	2450101	December 27, 2012
3.	<i>Smart Art Meets State-Of-The-Art</i> (Device)	9	2450102	December 27, 2012
4.	<i>Smart</i> (Device)	9	2450103	December 27, 2012
5.	<i>HPL GLO (Logo)</i> (Device)	11	2634375	November 28, 2013
6.	<i>GLO</i> (Word)	11	2634376	January 1, 2011

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated December 15, 2015, authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our shareholders have, pursuant to a resolution dated January 8, 2016, under Section 62(1)(c) of the Companies Act, authorized the Issue.

In-principle Listing Approvals

- We have received the in-principle approval from the BSE for the listing of our Equity Shares pursuant to a letter dated [●].
- We have received the in-principle approval from the NSE for the listing of our Equity Shares pursuant to a letter dated [●].

Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, members of our Promoter Group, our Directors, our Group Companies, natural persons behind our corporate Promoter and persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are in any manner associated with the securities market and there is or has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

Neither our Company, nor any of our Promoters, Group Companies, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters, are or have been declared as wilful defaulters by the RBI or any other governmental authorities.

None of our Promoters or Directors are promoters or directors of any company, the securities of which have been suspended from trading on any stock exchange for non-compliance with listing requirements.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as described below:

“An issuer may make an initial public offer, if:

- (a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty percent are held in monetary assets:*

Provided that if more than fifty percent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty percent on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.

- (b) it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.*

- (c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);
- (d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of the issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;
- (e) if it has changed its name within the last one year, at least fifty percent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name. ”

Set forth below are the net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, which are derived from our Restated Standalone Financial Statements, as of and for the three years ended March 31, 2015, March 31, 2014 and March 31, 2013 included in this Draft Red Herring Prospectus.

(₹ in million except as indicated)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net Tangible assets ⁽¹⁾	4,515.06	4,117.53	3,632.15
Monetary assets ⁽²⁾	544.18	464.00	524.23
Monetary assets as a % of Net Tangible assets	12.05%	11.27%	14.43%
Net worth ⁽³⁾	3,187.97	3,107.11	2,821.45

(1) 'Net Tangible assets' means the sum of all net assets of our Company, excluding intangible assets as defined in Accounting Standard 26 notified in the Companies (Accounting Standard) Rules, 2006, and preliminary expenses to the extent not written off.

(2) 'Monetary Assets' comprise cash and bank balances.

(3) 'Net worth' has been defined as the aggregate of paid-up share capital, share premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

Our average pre-tax operating profit calculated on a restated and consolidated basis, during the three most profitable years being year ended on March 31, 2015, March 31, 2014 and March 31, 2013 out of the immediately preceding five years is ₹ 1,000.31 million. Further, except on account of conversion from a private limited company to a public limited company, our Company has not changed its name within the last one year.

Set forth hereunder are details of the pre-tax operating profits of our Company, as derived from our Restated Consolidated Financial Statements as of and for the three years ended March 31, 2015, March 31, 2014 and March 31, 2013, respectively.

(₹ in million except as indicated)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Pre-tax operating profits ⁽¹⁾	1,091.50	918.39	991.04

(1) 'Pre-tax operating profits' comprise profit from operations before other income, interest and exceptional items in accordance with the SEBI Listing Regulations.

Hence, we are eligible for the Issue as per Regulation 26(1) of the SEBI ICDR Regulations. Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/ Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum or any other rate as per applicable law, on the application money for the delayed period.

Our Company will bear all costs, charges, fees and expenses associated with and incurred in connection with this Issue.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING

PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED, IDFC BANK LIMITED AND ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED, IDFC BANK LIMITED AND ICICI SECURITIES LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY [●], 2016 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
2. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATION IS VALID;
 3. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;
 4. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM

PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS;

5. 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 PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS;
6. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE;
7. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE;
8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;
9. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALIZED FORM ONLY;
10. WE CERTIFY THAT ALL 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;
11. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

- b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**
12. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - COMPLIED WITH AND NOTED FOR COMPLIANCE;**
13. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.;**
14. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**
15. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;**
16. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus.

Price Information of Past Issues handled by the BRLMs

SBI Capital Markets Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by SBI Capital Markets Limited

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	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.	Repco Home Finance Limited	2,702.32	172.00 ⁽¹⁾	April 1, 2013	159.95	-0.64% [+3.96%]	44.24% [3.41%]	41.19% [+2.26%]
2.	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]
3.	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	0.71% [+4.38%]	25.81% [-0.74%]	NA
4.	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	11.78% [+3.57%]	30.83% [-1.79%]	NA
5.	Precision Camshafts Limited	4101.90	186.00	February 08, 2016	163.10	NA	NA	NA

Note: 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. The Designated Exchange for the Issue has been considered for the price and other details.

⁽¹⁾Issue price for employees was ₹156.00

2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by SBI Capital Markets Limited

Fiscal year	Total no. of IPOs	Total funds raised (₹ million)	Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			Number of IPOs trading at a discount as on 180th calendar day from listing day			Number of IPOs trading at a premium as on 180th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2013-2014	1	2,702.32	0	0	1	0	0	0	0	0	0	0	1	0
2014-2015	1	3,504.30	0	1	0	0	0	0	0	0	1	0	0	0
2015-2016	3	13,663.78	0	0	0	0	0	2	NA	NA	NA	NA	NA	NA

Note: The 30th and 180th calendar day computation includes the listing day. If the 30th and 180th calendar day is a trading holiday, the next trading day is considered for the computation.

ICICI Securities Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	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.	Shemaroo Entertainment Limited	1,200.00	170.00 ⁽¹⁾	October 1, 2014	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	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
2.	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]
3.	VRL Logistics Limited	4,678.80	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
4.	PNC Infratech Limited	4,884.40	378.00	May 26, 2015	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
5.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
6.	Sadbhav Infrastructure Project Limited	4,916.60	103.00	September 16, 2015	111.00	-2.28%, [+3.55%]	-5.63, [-3.15]	-
7.	Teamlease Services Limited	4,236.80	850.00	12 February, 2016	860.00	-	-	-
8.	Quick Heal Technologies Limited	4,512.50	321.00	February 18, 2016	305.00	-	-	-

Notes:

- All data sourced from www.nseindia.com
- Benchmark index considered is NIFTY
- 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day 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%
2015-2016	6	27,229.00	-	-	1	1	-	2	-	-	-	2	1	-
2014-2015	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IDFC Bank Limited

1. Price information of past issues handled by IDFC Bank Limited

Nil

2. Summary statement of price information of past issues handled by IDFC Bank Limited

Nil

Track records of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs mentioned below.

BRLMs	Website
SBICAPS	http://www.sbicaps.com
I-SEC	http:// www.icicisecurities.com
IDFC	http:// www.idfcbank.com

Caution – Disclaimer from our Company, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.hplindia.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMs and our Company dated February 24, 2016, and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the Bidders and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, our Group Companies and our respective affiliates and associates 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 or our Group Companies or their respective affiliates or associates for which they have received, and may in future receive compensation.

Bidders that bid in the Issue will be required to confirm, and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the 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.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible Non Resident Indians (“NRIs”), Alternative Investment Funds (“AIFs”), Foreign Portfolio Investors registered with SEBI (“FPIs”) and QIBs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of this Draft Red Herring Prospectus, shall not, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Bidders are advised to ensure that any single bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at 5th floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi 110 001, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

The Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Listing

Application has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Issue and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the Bidders in reliance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. If our Company does not allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, we shall repay without interest all monies received from bidders, failing which, the directors of our Company who would be officers in default shall jointly and severally be liable to repay that money with interest at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the legal counsels, the Bankers to our Company, the Bankers to the Issue, lenders (where such consent is required), industry sources, customers/other third parties (where names of such customers/third parties have been disclosed); and (b) the BRLMs, the Syndicate Members and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC.

Our Company has received written consent from, Sahni Mehra & Co., Chartered Accountants, our Auditors, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Red Herring Prospectus and as “expert” as defined under Section 2(38) of the Companies Act 2013 in respect of the reports of the Auditor on the Restated Standalone Financial Statements and on the Restated Consolidated Financial Statements, each dated December 24, 2016 and the statement of tax benefits also dated December 24, 2015, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Expert Opinion

Except for the report of our Auditor on the Restated Financial Statements and the statement of tax benefits included in this Draft Red Herring Prospectus, on pages 181 and 95, respectively, and the Frost & Sullivan Report, our Company has not obtained any expert opinion.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

(₹ in million)			
Activity	Estimated expenses*	As a % of the total estimated Issue expenses *	As a % of the total Issue size*
Fees payable to the BRLMs, including underwriting commission, brokerage and selling commission (including commissions to Designated Intermediaries)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]

Activity	Estimated expenses*	As a % of the total estimated Issue expenses *	As a % of the total Issue size*
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate and Designates Intermediaries and submitted with the SCSBs**	[●]	[●]	[●]
Other expenses (SEBI filing fees, listing fees, legal and auditor fees, book building fees, depository's charges, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated at the time of filing of the Prospectus.

** SCSBs will be entitled to a processing fee of ₹ [●] per valid Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or Registered Brokers, RTAs or CDPs and submitted to SCSBs. The details of commission and processing fees payable to each of the Registered Brokers, RTAs or CDPs and the timelines for payment shall be disclosed in the Red Herring Prospectus and this shall be implemented strictly.

Fees, Brokerage and Selling Commission

The total fees payable to the BRLMs and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter with the BRLMs and the Syndicate Agreement to be executed among our Company and the members of the Syndicate, copies of which shall be available for inspection at our Registered Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/ Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the agreement dated February 18, 2016 signed among our Company and the Registrar to the Issue, a copy of which shall be made available for inspection at our Registered Office.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issues undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous Issues Otherwise than for Cash

Except as disclosed in “*Capital Structure*” on page 70, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding Three Years

Except as disclosed in “*Capital Structure*”, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. None of our Group Companies are listed on any stock exchange in India or overseas as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects

Our Company has not undertaken any public or rights issue in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Group Companies or associate Company

Our Group Companies have not made any public or rights issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Except any options that may be granted pursuant to the ESOS 2016, our Company does not have any outstanding debentures, bonds or redeemable preference shares, or other securities that may be converted into or exchanged for Equity Shares, as on the date of this Draft Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances by our Company

The agreement dated February 18, 2016 between the Registrar to the Issue and our Company, provides for retention of records with the Registrar to the Issue for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors may contact the BRLMs for any complaint pertaining to the Issue.

All grievances other than by Anchor Investors may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary where the Bid cum Application Form was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder (other than Anchor Investors) shall also enclose the Acknowledgement Slip from the Designated Intermediary in addition to the documents/information mentioned hereinabove.

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

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be seven 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 Mr. Vivek Kumar, Company Secretary, as the Compliance Officer and he/she may be contacted in case of any pre- Issue or post- Issue related problems, at the address set forth hereunder.

Mr. Vivek Kumar, *Company Secretary*
1/21, Asaf Ali Road
New Delhi 110 002
India
Tel: (+91 11) 2323 4411
Fax: (+91 11) 2323 2639



Email: hplcs@hplindia.com

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Mr. Virender Kumar Bajaj (Chairman), Mr. Rishi Seth, Mr. Gautam Seth and Mr. Vinod Ratan, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" on page 155.

We do not have any listed Group Companies as on the date of this Draft Red Herring Prospectus.

Changes in Auditors

There have been no changes to our auditors in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Capitalization of Reserves or Profits

Except as disclosed in "*Capital Structure*" on page 70, our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The Issue is of up to [●] Equity Shares, at an Issue Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ 4,500 million and is being made through the Book Building Process. In terms of Rule 19(2)(b)(i) of the SCRR, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum Issue to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price.

Our Company is considering a Pre-IPO Placement of up to 4,200,000 Equity Shares aggregating up to ₹ 1,250 million with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue size constituting at least 25% of the post-Issue paid-up Equity Share capital of our Company or if the post-Issue Equity Share capital of our Company calculated at the Issue Price is greater than ₹ 16,000 million but less than or equal to ₹ 40,000 million, at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Issue Price), as the case may be.

The Issue is being made through the Book Building Process.

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation**	[●] Equity Shares	Not less than [●] Equity Shares or Issue less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares or Issue less allocation to QIBs and Non-Institutional Investors
Percentage of Issue size available for allocation	50% of the Issue will be available for allocation to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs	Not less than 15% of the Issue or Issue less allocation to QIBs and Retail Individual Investors	Not less than 35% of the Issue or the Issue less allocation to QIBs and Non-Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares will be available for allocation on a proportionate basis to QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event the Bids received from Retail Individual Investors exceeds [●] Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot (“ Maximum RII Allotment ”). The Allotment to Retail Individual Investors will then be made in the following manner: (a) If the number of Retail Individual Investors who have submitted valid Bids in the Issue is equal to or less

QIBs*		Non-Institutional Investors	Retail Individual Investors
			<p>than the Maximum RII Allottees, (i) all such Retail Individual Investors shall be allocated the minimum Bid Lot and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to those Retail Individual Investors who received allocation as per (i) above, for less than the Equity Shares Bid for by them (i.e. Retail Individual Investors who have Bid for more than the minimum Bid Lot)</p> <p>(b) In the event, the number of Retail Individual Investors who have submitted valid Bids in the Issue is more than the Maximum RII Allottees, the Retail Individual Investors who will be allocated the minimum Bid Lot shall be determined by draw of lots.</p> <p>Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category. For more information, see “<i>Issue Procedure</i>” on page 357.</p>
Mode of Bidding		Through ASBA process only (other than Anchor Investors)	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment		Compulsorily in dematerialized form	
Bid Lot		[●] Equity Shares and in multiples of [●] Equity Shares thereafter	
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category
Trading Lot		One Equity Share	

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act 2013, FPIs (other than Category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, AIFs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any Category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value
Terms of Payment####	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form</p>		

* Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million, a minimum of five and a maximum of 15 Anchor Investors are allowed for allocation of up to ₹2,500.00 million and an additional 10 such investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to a minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Issue Price.

**This Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws.

***If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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.

****Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form.

Under subscription, if any, in any category, except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/ Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue

a public notice within two days from the Bid/ Issue Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, they will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid Closing Date; and (ii) the final RoC approval of the Prospectus.

Bid/ Issue Period

BID/ISSUE OPENS ON*	[●]
BID/ISSUE CLOSES ON**	
(FOR QIBS)**	[●]
(FOR ALL OTHER BIDDERS)	[●]
FINALISATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS FOR ANCHOR INVESTOR/UNBLOCKING OF FUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMENCEMENT OF TRADING	[●]

* Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date.

** Our Company, in consultation with the BRLMs, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

This timetable, other than Bid/Issue Opening and Closing Dates, is indicative in nature and does not constitute any obligation or liability on our Company or the members of the Syndicate. While we will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/ Issue Closing Date, the timetable may be subject to change for various reasons, including extension of the Bid/ Issue Period by our Company due to revision of the Price Band or any delays in receipt of final listing and trading approvals from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable laws.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/ Issue Period at the Bidding Centres, except that on the Bid/ Issue Closing Date (which for QIBs may be one Working Day prior to the Bid/ Issue Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. (Indian Standard Time) or such extended time permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors. On the Bid/ Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/ Issue Closing Date, Bidders are advised to submit Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. If a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Issue. Our Company and the members of the Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/ Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and by indicating the change on the websites and terminals of the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

TERMS OF THE ISSUE

The Equity Shares offered, issued and Allotted in the Issue will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and sale of capital and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by SEBI, RBI and/or other regulatory authority while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and allotted in the Issue will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see “**Main Provisions of the Articles of Association**” on page 403.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Equity Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. For more information, see “**Dividend Policy**” and “**Main Provisions of the Articles of Association**” on page 180 and 403, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 10 and the Issue Price is [●]. The Anchor Investor Issue Price is [●]. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band and the minimum Bid lot will be decided by our Company, in consultation with the BRLMs, and published by our Company at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

Compliance with the SEBI Regulations

The Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend,

forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 403.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form. In this context, agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●] among NSDL, our Company and the Registrar to the Issue; and
- Agreement dated February 16, 2016 among CDSL, our Company and the Registrar to the Issue.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Issue Procedure*” on page 357

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or in the case of joint Bidders, the joint Bidders jointly 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, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, as amended, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Issue Period

BID/ISSUE OPENS ON*	[●]
BID/ISSUE CLOSES ON	[●]
FINALIZATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS	[●]

CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[•]
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COMMENCEMENT OF TRADING	[•]
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* Our Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) the subscription in the Issue equivalent to the minimum number of securities as specified in Rule 19(2) of the SCRR, including through devolvement to the Underwriters, as applicable, our Company shall forthwith refund the entire subscription amount received no later than 15 days from the Bid/ Issue Closing Date, failing which, the directors of our Company who would be officers in default shall jointly and severally be liable to repay that money with interest at the rate of 15% per annum. Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Issue will be not less than 1,000.

Further, our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment of Equity Shares.

Arrangement for Disposal of Odd Lots

Since the market lot for our Equity Shares is one, there are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of pre-Issue equity shareholding, minimum Promoters' contribution and Anchor Investor lock-in in the Issue, as detailed in "*Capital Structure*" on page 70 and as provided in our Articles as detailed in "*Main Provisions of the Articles of Association*" on page 403, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 notified by SEBI (“General Information Document”) included below under section titled “ – Part B - General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Issue Price. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category in the Anchor Investor Portion. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only subject to valid Bids being received from the domestic Mutual Funds at or above the Issue Price. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue.

Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized 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.

Please note that all the investors (other than Anchor Investors) shall mandatorily apply in the Issue through the ASBA process only. However, Anchor Investors are not permitted to participate in the Issue through the ASBA process.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the members of the Syndicate, the Designated Intermediaries at relevant Bidding Centers, at our Registered Office and at our Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the

Stock Exchanges, the Syndicate Members and SCSBs and at the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

Bidders (other than Bids by Anchor Investor) must provide bank account details and authorisation by the ASBA bank holder to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. Further, such Bidders shall ensure that the Bids are submitted at the Bidding centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs (including FIIs), Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]

* Excluding electronic Bid cum Application Forms

**Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

Who can Bid?

The following persons are eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- (i) Mutual Funds registered with SEBI. Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted;
- (ii) Venture Capital Funds and AIFs registered with SEBI;
- (iii) Foreign Venture Capital Investors registered with SEBI;
- (iv) FPI registered with SEBI, provided that any Foreign Institutional Investor ("FII") who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- (v) Public financial institutions as defined under Section 2(72) of the Companies Act 2013;
- (vi) Indian financial institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI and the SEBI ICDR Regulations and other laws as applicable);
- (vii) Scheduled commercial banks;
- (viii) State Industrial Development Corporations;
- (ix) Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- (x) Insurance companies registered with IRDA;
- (xi) Provident funds and pension funds with a minimum corpus of ` 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;
- (xii) National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- (xiii) Insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;
- (xiv) NRIs on a repatriation basis or on a non-repatriation basis, subject to the applicable laws;

- (xv) Companies, corporate bodies and trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under the respective constitutions to hold and invest in equity shares;
- (xvi) 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);
- (xvii) Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- (xviii) Hindu Undivided Families or HUFs, in the individual name of the Karta;
- (xix) Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- (xx) Multilateral and bilateral development financial institutions; and
- (xxi) Any other person eligible to Bid in the Issue under applicable laws.

Also see “- *General Information Document for Investing in Public Issues - Category of Investors Eligible to Participate in an Issue*”.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within India to QIBs, RIIs and NIIs under the SEBI ICDR Regulations, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933 and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds sponsored by entities related to the BRLMs, the BRLMs and any persons related to the BRLMs cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason therefor. 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 may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. 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 NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Bids by FPI (including FIIs)

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“**SEBI FPI Regulations**”), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post- Issue Equity Share capital.

Any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. An FII or a sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in this Issue, until the expiry of its registration with SEBI as an FII or a sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier.

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. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In accordance with foreign investment limits applicable to our Company, total foreign investment including FPI investment may be up to 24% through the automatic route and up to 100% pursuant to the approval of our Board and a special resolution of our shareholders, with prior intimation to the RBI. Our Board, by a resolution dated December 15, 2015 approved an increase in the limit of FPI investment to 49% of our paid-up share capital. Our shareholders, by a resolution dated January 8, 2016, approved such increase in FPI investment limit.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour). FPIs are required to Bid through the ASBA process to participate in the Issue.

Bids by SEBI registered Venture Capital Funds, AIFs and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be

attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefor.

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 reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the **"Banking Regulation Act"**), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the **"IRDA Investment Regulations"**), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the 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 laws) 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company 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, subject to such terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see the section entitled **"Issue Procedure – Part B – General Information Document for Investing in Public Issues"** on page 366.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●], a widely circulated English national daily newspaper, the [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate Office is located).

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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
7. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB 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. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (at the Specified Locations), the SCSBs (at the Designated Branches), the Registered Broker (at the Broker Centres), the RTAs (at the Designated RTA Locations) or CDPs (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
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, corporates, trust etc., relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
20. 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;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;
24. Ensure that you tick the correct investor category, as may be applicable, in the Bid cum Application Form to ensure proper upload of the Bid in the online IPO system of the Stock Exchanges;
25. Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Issue;
26. Ensure that the Bid cum Application Form is submitted only with a Designated Intermediary at the Bidding Centres and that the SCSB where the ASBA Account of the Bidder is maintained, as specified in the Bid cum Application Form, has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms;
27. Ensure that while Bids submitted by companies, other corporates, trusts, etc., under powers of attorney, the relevant documents, including a copy of the power of attorney, are submitted along with the Bid.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding ₹ 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 Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
13. 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;
14. 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;
15. 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);
16. Do not submit more than five Bid cum Application Forms per ASBA Account; and
17. Anchor Investors should not bid through the ASBA process;
18. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account of the Bidder is maintained, as specified in the Bid cum Application Form, has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms;
19. Do not submit Bids to a Designated Intermediary at a location other than their respective Bidding Centres;
20. Do not withdraw or lower the size of your Bid (in terms of quantity of Equity Shares or price) at any stage if you are a QIB or a Non-Institutional Investor;
21. Do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Anchor Escrow Account

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Anchor Escrow Account for Anchor Investors should be drawn in favor of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Undertakings by our Company

- (i) Our Company undertakes the following:

- (ii) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/ Issue Closing Date;
- (iv) That in case of Anchor Investors where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (v) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- (vi) That if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) That if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- (viii) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- (ix) That adequate arrangements shall be made to collect all Bid cum Application Forms;
- (x) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and
- (xi) That the Allotment Advice will be issued or the application money will be refunded/unblocked within such time as specified by the SEBI, failing which interest will be paid to the Bidders at the rate prescribed under applicable law for the delayed period.

Utilization of Issue Proceeds

Our Board certifies that:

- (i) all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act 2013;
- (ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

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PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and 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 Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations. 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 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

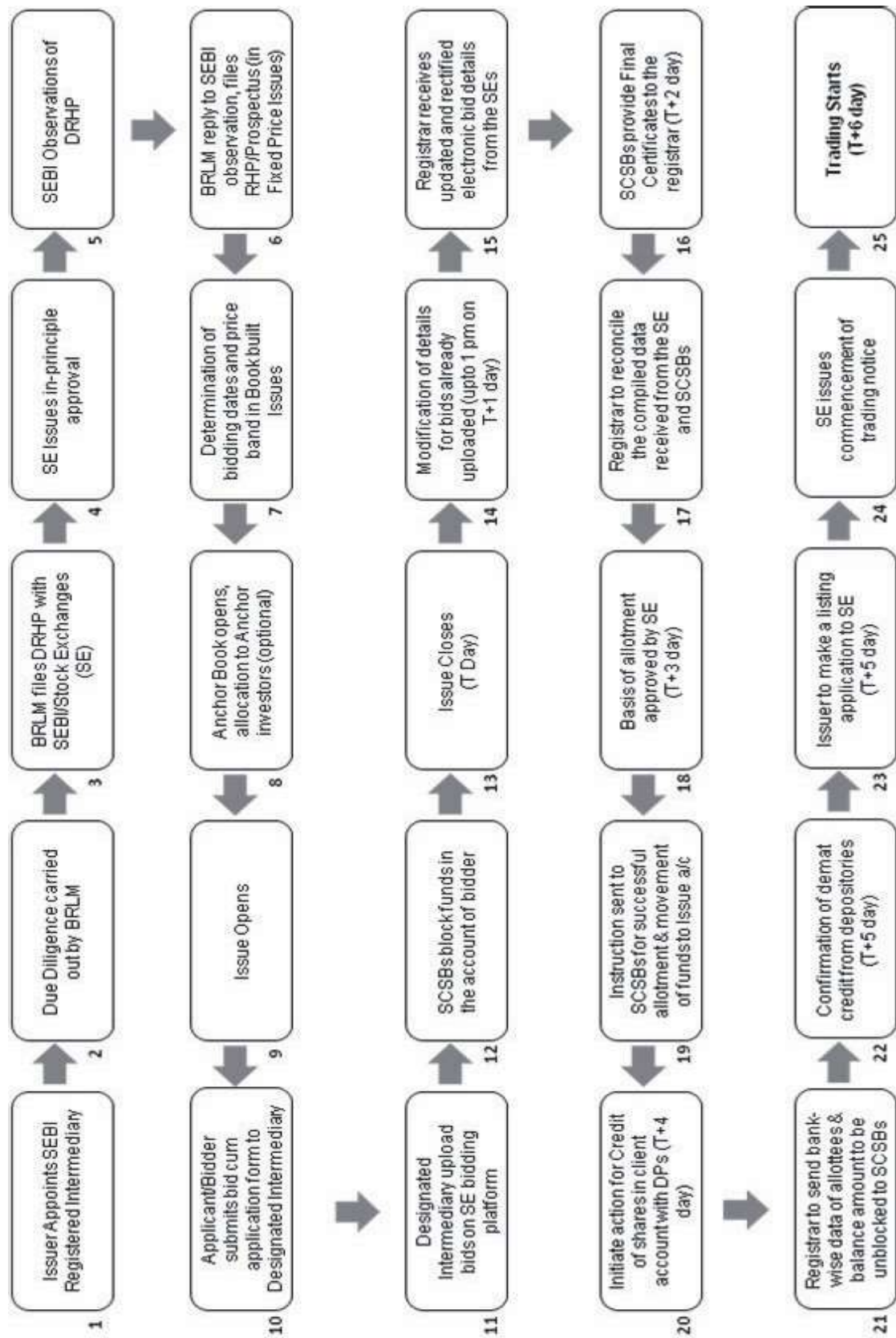
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the below mentioned steps shall be read as:

- i. Step 7: Determination of Issue Date and Price
- ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“NIIs”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either 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 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/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:



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 Bid cum Application Form No. _____																							
LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px; display: inline-block;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">ISEN : _____</div>	Bid cum Application Form No. _____																							
SYNDICATE MEMBER'S STAMP & CODE SUBBROKER'S / SUBAGENT'S STAMP & CODE BANK BRANCH SERIAL NO.	BROKER/SCSB/DP/RTA STAMP & CODE BROKER/BANK/SCSB BRANCH STAMP & CODE 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 <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>(OR) Option 2</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>(OR) Option 3</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>		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	Option 1	_____	_____	_____	_____	(OR) Option 2	_____	_____	_____	_____	(OR) Option 3	_____	_____	_____	_____	5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB 6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indian - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karta. Application by HUF would be treated on par with Individual(s).</small>
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																					
Option 1	_____	_____	_____	_____																					
(OR) Option 2	_____	_____	_____	_____																					
(OR) Option 3	_____	_____	_____	_____																					
7. PAYMENT DETAILS Amount paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ <small>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 ASSURED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTMENT IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INTERCROCKS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																							
8A. SIGNATURE OF SOLE / FIRST BIDDER _____ Date : _____	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to deal in Indian securities to enable the Application in the A/c</small> 1) _____ 2) _____ 3) _____																								
BROKER / NSCB / DP / RTA STAMP (Acknowledging upload of Bid in Bids Exchange system)		PAN of Sole / First Bidder _____																							
Amount paid (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of SCBS Branch _____																							
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 / SCBS / DP / RTA _____ Name of Sole / First Bidder _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____																							



Application Form – For Non - Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS
	Address : _____ Contact Details : _____ CIN No. _____	

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	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
		Address _____
		Email _____
		Tel. No (with STD code) / Mobile _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	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) <small>(Bids must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) / "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small>				"Cut-off" (Please tick)
		Bid Price	Retail Discount	Net Price		
Option 1	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	<input type="checkbox"/>	
(OR) Option 2					<input type="checkbox"/>	
(OR) Option 3					<input type="checkbox"/>	

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ NRI Non-Resident Indian(s) (Repatriation basis)

☐ FII 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

Amount paid (₹ in figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED 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 OF THIS BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER

Date : _____

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the line

1) _____

2) _____

3) _____

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No. _____

PAN of Sole / First Bidder _____

DPID / CLID _____

Amount paid (₹ in figures) _____ Bank & Branch _____

ASBA Bank A/c No. _____

Received from Mr./Ms. _____

Telephone / Mobile _____ Email _____

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
ASBA Bank A/c No.	_____		
Bank & Branch	_____		

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No. _____

G

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (b) 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.
- (c) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (d) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (e) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

“Any person who:

 - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
 - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
 - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.
- (f) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. 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 General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Offer.
- (d) Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process

for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1. Maximum and Minimum Bid Size

1. The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.
2. 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.
3. For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
4. Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
5. RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the price) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
6. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
7. 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 price) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

8. A Bid cannot be submitted for more than the Issue size.
9. The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
10. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2. Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of 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 Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one- third of

the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bid Amount for Bidders who Bid at Cut-off Price shall be blocked based on the Cap Price.
- (c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheques or demand drafts, through money order or through postal order.

4.1.7.1. Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS or NEFT.
- (c) The Anchor Escrow Bank shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. Payment instructions for Bidders (other than Anchor Investors)

- (a) Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account;
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form; or
 - iii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **Bidders bidding through a Registered Broker, RTA or CDP** should note that Bid cum Application Forms submitted to them 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 the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) the amount to be unblocked, if any, in case of partial allotments, and (v) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.3. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

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 RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form. Applicants should ensure that they receive the acknowledgment duly signed and stamped by a SCSB, for submission of the Application Form.
- (b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Offer.
 - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - v. In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
 - vi. In case of Bids submitted to the CDPs, the Bidders/Applicants should contact the relevant CDP.
 - vii. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.
- (c) The following details (as applicable) should be quoted while making any queries -
 - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - ii. name and address of the Designated Intermediary, where the Bid was submitted;
 - iii. In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or
 - iv. In case of Anchor Investor bids, the unique transaction reference (UTR) number and the name of the relevant bank thereof.

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) Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/Issue Close 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/ Issue 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
	Address : _____	Contact Details: _____	

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	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____
		Address _____
		Email _____
		Tel. No. (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)										(In Figures)	
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
5. TO (Revised Bid) (Only Retail Individual Bidders can bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)										Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)	
	(In Figures)										(In Figures)	
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS												PAYMENT OPTION : <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT	
Additional Amount Paid (₹ in figures) _____ ₹ in words) _____													
ASBA Bank A/c No. _____													
Bank Name & Branch _____													
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM & WARRANT THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE IPO AND THE GENERAL INFORMATION DOCUMENT FOR RESIDENT INDIANS, QIBs AND ELIGIBLE NRIs AND HAVE AGREED TO THE SAME. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING OF THE BID REVISION FORM ON OVERSEAS.</small>													
7A. SIGNATURE OF SOLE / FIRST BIDDER				7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)				BROKER / SCSB / DP/RTA STAMP (A new bidding system of Bid in Bank & Schwab system)					
Date : _____				I/We authorize the SCSB to do all acts as necessary to make the Application in the form 1) _____ 2) _____ 3) _____									

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA
--

Bid cum
Application
Form No. _____

DPID / CLID	PAN of Sole / First Bidder										
Additional Amount Paid (₹)										Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.											
Received from Mr./Ms.											
Telephone / Mobile										Email	

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Additional Amount Paid (₹)			Acknowledgement Slip for Bidder	Bid cum Application Form No.
	ASBA Bank A/c No.				
Bank & Branch					

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers, Designated Branches of the SCSBs, the RTAs and the CDPs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same 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 Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/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, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4. **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1. **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2. **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or 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.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - ii. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids

bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

- iii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3. **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4. **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5. **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheques or demand drafts or through postal order or through stock invest.

4.3.5.1. **Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- (b) Applicants must specify only such bank account number maintained with an SCSB in the Bid cum Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, cheque, postal order or any mode of payment

other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder.
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2. Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the



Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.3.5.3. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6. FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1. Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> (a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1. SUBMISSION OF BIDS

- (a) During the Bid/Issue 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 NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2. ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

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/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4. WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

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 Intermediaries;
 - ii. the Bids uploaded by the Designated Intermediaries; and
 - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1. **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to 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, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (c) DP ID and Client ID not mentioned in the Bid cum Application Form;
- (d) Bids/Applications by OCBs;
- (e) 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;
- (f) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- (g) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (h) Bids/Applications by persons in the United States;
- (i) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (j) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed

by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

- (k) In case no corresponding record is available with the Depositories that matches the DPID, the Client ID and the PAN;
- (l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (m) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (n) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (q) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Bank account mentioned in the Bid cum Application Form not being an account maintained with an SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Anchor Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (w) Where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (y) Bids/Applications submitted at locations other than the Specified Locations and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- (aa) 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 Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the 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 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 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 at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may 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/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through 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/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1. ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2. ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3. ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB

Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer 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:
 1. a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 2. a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum Allotment of ₹ 5 crores per such Anchor Investor; and
 3. a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores, and an additional 10 Anchor



Investors for every additional ₹ 250 crores or part thereof, subject to minimum Allotment of ₹5 crores per such Anchor Investor.

- (b) 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.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5. BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI 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 Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Anchor 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 Anchor Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.
- Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Issue Close Date.

SECTION 8: INTEREST AND REFUNDS

8.1. COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/Issue Closing Date.

8.2. GROUNDS FOR REFUND

8.2.1. NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) 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 for 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 within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2. **NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock 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 prescribed time period under applicable laws, 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 Issue under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3. **MODE OF REFUND**

- (a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund advices for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the 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 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 Anchor Escrow Bank, 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 to Anchor Investors shall be credited only to the bank account from which the Bid Amount was remitted to the Anchor 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) **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 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 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;
- (b) **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; and
- (c) **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the above mentioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Anchor Escrow Bank.

For details of levy of charges, if any, for any of the above methods including bank charges, etc., 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 where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum if Allotment is not made in accordance with timelines prescribes under applicable law.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
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 and the Red Herring Prospectus

Term	Description
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor 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 Issue
Bid	An indication to make an offer during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Date 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/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Issue 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. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
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	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, 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 can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band

Term	Description
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank 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
Anchor Escrow Bank	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 Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	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
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI

Term	Description
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 <u>the general permission granted to OCBs under FEMA</u>
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Anchor 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
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds 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
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
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 Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations

Term	Description
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price 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	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Days” shall mean all days, excluding Saturdays and public holidays, which are working days for commercial banks in India.



SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

1. CONSTITUTION OF THE COMPANY

- (a) The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.
- (b) The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- (a) “**Act**” means the Companies Act, 2013 in force and any statutory amendment thereto or replacement thereof and applicable provisions of the Companies Act 1956, if any, along with the relevant Rules made thereunder.
- (b) “**ADRs**” shall mean American Depositary Receipts representing ADSs.
- (c) “**Annual General Meeting**” shall mean the Annual General Meeting of the holders of Shares held in accordance with the applicable provisions of the Act.
- (d) “**ADR Facility**” shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- (e) “**ADSs**” shall mean American Depositary Shares, each of which represents a certain number of Equity Shares.
- (f) “**Articles**” shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- (g) “**Auditors**” shall mean and include those persons appointed as such for the time being by the company.
- (h) “**Board**” shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- (i) “**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.
- (j) “**Beneficial Owner**” shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- (k) “**Capital**” or “**share capital**” shall mean the share capital for the time being, raised or authorized to be raised for the purpose of the Company.
- (l) “**Chairman**” shall mean such person as is nominated or appointed in accordance with Article 37 herein below.



- (m) **“Companies Act, 1956”** shall mean the Companies Act 1956 (Act I of 1956), as may be in force for the time being.
- (n) **“Company”** or **“this company”** shall mean **HPL ELECTRIC & POWER LIMITED**
- (o) **“Committees”** shall have the meaning ascribed to such term in Article 74.
- (p) **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- (q) **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- (r) **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- (s) **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- (t) **“Dividend”** shall include interim dividends.
- (u) **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- (v) **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 10/- (Rupees Ten) per equity share, and INR 10/- (Rupees Ten) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- (w) **“Executor”** or **“Administrator”** shall mean 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.
- (x) **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Shares duly called and constituted in accordance with the provisions of the Act;
- (y) **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- (z) **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- (aa) **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- (bb) **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- (cc) **“General Meeting”** shall mean a meeting of holders of Shares and any adjournment thereof.
- (dd) **“Independent Director”** shall mean an independent director as defined under the Act and other applicable provisions.
- (ee) **“India”** shall mean the Republic of India.

- (ff) **“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.
- (gg) **“Managing Director”** shall have the meaning assigned to it under the Act.
- (hh) **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- (ii) **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- (jj) **“Office”** shall mean the registered office for the time being of the Company.
- (kk) **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- (ll) **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- (mm) **“Paid up”** shall include the amount credited as paid up.
- (nn) **“Person”** shall mean 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).
- (oo) **“Promoter”** shall mean promoter of the Company in terms of the Act, applicable SEBI regulations and other applicable provisions.
- (pp) **“Register of Members”** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- (qq) **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- (rr) **“Rules”** shall mean the rules made under the Act and notified from time to time.
- (ss) **“Seal”** shall mean the common seal(s) for the time being of the Company.
- (tt) **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- (uu) **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- (vv) **“Securities”** shall mean any Equity Shares or any other securities, debentures warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- (ww) **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- (xx) **“Shares”** means shares in the share capital of the Company, and includes stock except where a distinction between stock and shares is expressed or implied or any other type of share;
- (yy) **“Shareholder”** shall mean any shareholder of the Company, from time to time.



(zz) **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

(aaa) **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

(bbb) **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any Shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such Shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such Shares, securities (including convertible securities) or voting interests or any interest therein, and the word “Transferred” shall be construed accordingly.

(ccc) **“Tribunal”** shall mean the National Company Law Tribunal constitutes under section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (a) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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”.
- (f) 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.
- (g) 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).
- (h) 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.
- (i) 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.



- (j) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (k) (k) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorized Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of INR 5,00,000/- (Rupees Five Lakhs only) as required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Shares with differential rights as to Dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), 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.
- (f) 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. However, the aforesaid shall be subject to the Act and other applicable laws.
- (g) The amount payable on application on each Share shall not be less than 5 per cent of the nominal value of the share or, as may be specified under applicable law.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up Shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity 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.
- (j) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (k) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members 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 paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, 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, subject to the applicable provisions of the Act and the consent of the Board, shall 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 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.

7. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) 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 securities premium account, before the shares are redeemed;
- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT



The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Special Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up Shares into stock and reconvert that stock into fully Paid up Shares of any denomination
- (d) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel Shares which, at the date of the passing of the resolution in that behalf, 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. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the Shares of that class) into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act 2013 and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class. Subject to Section 107(2) of the Companies Act 1956 and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, inter-alia, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of Shares may be issued, if such certificate:
 - (i) is proved to have been lost or destroyed; or
 - (ii) does not have further space on the back thereof for endorsement of transfer; or
 - (iii) has been worn out, defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing Shares, rematerialize its Shares held in the depository and/ or to offer its fresh Shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate specifying the Shares held by any Person shall be *prima facie* evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) 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 deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.



- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary, or any other person authorized by the Board in this behalf, shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act and these Articles, the Shares in the Capital of the Company for the time being (including any Shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to the compliance with the provision of Section 53 of the Act) and at such time as they may, from time to time, think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and is so issued, shall be deemed to be fully paid up Shares. Provided that option or right to call Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.



- (b) If, by the conditions of allotment of any Share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Shareholder or allottee of Shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the Shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.
 - (ii) Every Shareholder shall be entitled, without payment, to one or more certificates in marketable lot, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of 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 joint holders shall be sufficient delivery to all such holders.
 - (iii) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any Shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the Shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on Shares to any person except with the sanction of the Company in the General Meeting.

- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a Share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a Share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the Share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any Share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
- (j) The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Shareholder willing to advance the same, the whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board



agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.

- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

A. On Shares:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Share (not being a fully paid Share), registered in the name of each Shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Share;
 - (ii) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company; and

No equitable interest in any Share shall be created except upon the footing and condition that this Article shall have full effect. Provided that the Board may, at any time, declare any Shares wholly or in part to be exempt from the provisions of this Article.
- (b) Company's lien, if any, on the Shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.
- (c) Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares. The fully paid up Shares shall be free from all lien and that in case of partly paid Shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Shares.
- (d) For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the Person entitled to the Shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right 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 of lien.

A. On Debentures:

- (a) The Company shall have a first and paramount lien:



- (i) on every Debenture (not being a fully paid Debenture), registered in the name of each Debenture-holder (whether solely or jointly with others) and upon the proceeds of sale thereof, for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
- (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures 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 of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

- (c) If the requirements of any such notice as aforesaid are not be complied with, any Share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited Share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the Shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) (e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- (h) (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any Share so forfeited shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the allotment of further Shares, either out of unissued capital or out of increased Share Capital, then such Shares shall be offered—
 - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those Shares on that date by sending a letter of offer subject to the following conditions, namely:-

- a. the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to them in favour of any other Person; and the notice referred to in sub-clause a. above shall contain a statement of this right, provided that the Directors may decline, without assigning any reason to allot any Shares to any Person in whose favour any Shareholder may renounce the Shares offered to him;
 - c. after the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose them off in such manner and to such Person(s) as they may think, in their sole discretion, fit, and which is not disadvantageous to the Shareholders and the Company;
- (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons in any manner whatsoever, if it is authorized by a special resolution passed in the general meeting, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above.
- (b) Nothing in sub-clause b. of clause (i) of sub-article (a) above shall be deemed:
- (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
- (c) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (d) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company; or to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

- (i) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
 - (ii) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of Debentures or raising of the loans.
- (e) The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Companies Act 2013.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

- (b) In accordance with Section 56 of the Act, as amended, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of Shares held in physical form shall be in writing. Such provision of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all the transfer of Shares and registration thereof. In case of transfer of Shares where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (c) (i) An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/ or Register of Debenture- holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, including the Securities Contracts (Regulation) Act, 1956, the Board may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge the transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.
- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any Shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of Shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of Shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a Share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of Shares in violation of the stock exchange listing requirements on the ground that the number of Shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any Shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such Shares, but nothing therein contained shall be taken to



release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other Person.

- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the Shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the Shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any Share to a minor or insolvent or Person of unsound mind, except fully paid Shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.
- (m) A Person becoming entitled to a Share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares, except that he shall not, before being registered as a Shareholder in respect of the Shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of Shares has been received by the Company for registration and the transfer of such Shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such Shares to a special account unless the Company is authorized by the registered holder of such Shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right Shares and/ or bonus shares in relation to such Shares.

In case of transfer and transmission of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.



- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage, power of attorney or other similar documents, sub division and/ or consolidation of Shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) There shall be a common form of transfer in accordance with the Act and Rules.
- (s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/ or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoter to direct his Depository participant not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

- (f) Rights of Depositories & Beneficial Owners:
 - (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.



- (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (iii) Every person holding Shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
- (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any Share or whose name appears as the Beneficial Owner of any Share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such Shares or (except only as by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any Share in the joint names of any two or more persons or the survivor or survivors of them.
- (h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of Shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.
- (i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.
- (j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (k) Transfer of Securities:
 - (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (ii) In the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future.

Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital



for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of Shares, attending (but not voting) at the general meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.



- (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up Shares into stock and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up Shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/ its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up Share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.
- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.



- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (i) Notwithstanding above, in case of general meeting where e-voting facility is provided, the provisions of the section 108 of the Companies Act, 013 and rules notified thereunder shall apply.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

- (a) No Shareholder 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 or upon a poll in respect of any Shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.



- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of Shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his Share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his Preference Shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any Shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such Shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name Shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any Shares of the Company 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 forty-eight hours at least 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 Board of his right to such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.

- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for that purpose.
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.



(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:
- a. the names of the Directors and Alternate Directors present at each General Meeting;
b. all Resolutions and proceedings of General Meeting.

- (r) The Shareholders shall vote (whether in person or by proxy) all of the Shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as Shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (w) Notwithstanding above, in case of general meeting where e-voting facility is provided, the provisions of the section 108 of the Companies Act, 2013 and rules notified thereunder shall apply.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen).

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall not have casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS



Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/ lender or Persons/ lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/ lender or Persons/ lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/ lender or Persons/ lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles or in the Act or through any Board/ General meeting resolution; all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification Shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.



The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification Shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law, a Managing Director or Managing Directors, and any other Director/ s who is/ are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) All fees/ compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/ Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than

two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of Shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or
 - (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or
 - (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (ix) he acts in contravention of Section 184 of the Act; or
 - (x) he becomes disqualified by an order of the court under Section 203 of the Companies Act 1956; or
 - (xi) he is removed in pursuance of Section 169 of the Act; or
 - (xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

The Company shall comply with the provisions of section 188 of the Companies Act, 2013 and rules made thereunder and other provisions contained under the Accounting Standards and other applicable provisions in relation to the related party transactions.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is

a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

I. a director of such company, and

II. the holder of not more than Shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election. Provided nevertheless that the Managing Director, Nominee Director and the Independent Director shall not retire by rotation under this

Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time



director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s)/ whole time director(s)/ executive director(s)/ manager shall subject to the provisions of contract, if any, between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/ whole time director(s)/ executive director(s)/ manager.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s)/ whole time director(s)/ executive director(s)/ manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/ or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/ EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s)/ executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s)/ executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- (a) to make calls on Shareholders in respect of money unpaid on their Shares;
- (b) to authorise buy-back of securities under Section 68 of the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;



- (k) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or E-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.



If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall not have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
 - (ii) Remit, or give time for repayment of, any debt due by a Director;
 - (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
 - (iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive



officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) 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.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.



- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) the names of the Directors present at each meeting of the Board;
 - (ii) all resolutions and proceedings of the meetings of the Board;
 - (iii) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (e) Nothing contained in sub Articles (a) to (d) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (f) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (e) above.
- (g) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (h) The minutes kept and recorded under this Article shall also comply with the applicable provisions of Secretarial Standard.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.



- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/ or by the Board of the Company.

83. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company may procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act:

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act 1956, for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - (i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
 - (ii) number of meetings of the Board;
 - (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
 - (iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
 - (v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
 - (vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made a. by the auditor in his report; and b. by the company secretary in practice in his secretarial audit report;
 - (vii) particulars of loans, guarantees or investments under Section 186 of the Act;
 - (viii) particulars of contracts or arrangements with related parties referred to in subsection (1) of Section 188 in the prescribed form;
 - (ix) the state of the company's affairs;
 - (x) the amounts, if any, which it proposes to carry to any reserves;
 - (xi) the amount, if any, which it recommends should be paid by way of Dividends;
 - (xii) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
 - (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

(xiv) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

(xv) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

(xvi) in case of a listed company and every other public company having such paid-up Share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

(xvii) such other matters as may be prescribed under the Law, from time to time.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (c) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (d) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (e) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (f) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgement due or by cable or telegram



and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a Share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (a) To the Shareholders of the Company as provided by these Articles.
- (b) To the persons entitled to a Share in consequence of the death or insolvency of a Shareholder.
- (c) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
- a. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
- b. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act against both.
- (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (b) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (c) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (i) Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any Shares in the Company, Dividends may be declared and paid according to the amount of the Shares.
- (ii) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purpose of this regulation as paid on Shares.
- (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid, but if any Shares are issued on terms providing that it shall rank for Dividend as from a particular date such Shares shall rank for Dividend accordingly.
- (d) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon Shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such Shares or until such Shares shall have been duly transferred to him.
- (e) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such Shares.
- (f) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (g) Subject to Section 126 of the Act, a transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.



- (h) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (i) No unpaid Dividend shall bear interest as against the Company.
- (j) Notwithstanding anything contained in this Article, the Dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration to any Shareholder entitled to the payment of the Dividend, transfer the total amount of Dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend of HPL Electric & Power Limited".
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

98. CAPITALIZATION OF PROFITS

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 Company's profit and loss account or securities premium account or otherwise, as available for distribution.
- (b) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any Shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued Shares of the Company to be allotted, distributed and credited as fully Paid up bonus Shares, to and amongst such Shareholders in the proportions aforesaid; or
 - (a)
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub- article (ii).
- (c) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued Shares to be issued to Shareholders of the Company as fully paid bonus Shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE



- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid Shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or debentures becoming distributable in fraction; and
 - (ii) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further Shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the Shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100.VARIATION IN TERMS OF CONTRACT OR OBJECTS IN PROSPECTUS

- (a) The Company shall not, at any time, vary the terms of a contract referred to in prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the Company in general meeting by way of special resolution, and in accordance with the provisions of the Act. Provided that the dissenting Shareholders, being the Shareholders who have not agreed to the proposal to vary the terms of the contracts or the objects referred to in the prospectus, shall be given an exit offer by the promoters or controlling Shareholders of the company, at the fair market value of the equity Shares as on the date of the resolution of the Board of Directors recommending such variation in the terms of the contracts or the objects referred to in the prospectus, in accordance with such terms and conditions as may be specified on this behalf by the Securities and Exchange Board of India.

101.DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (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 shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (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 shareholders or different classes of shareholders.

102.DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

103.DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

104.INSPECTION BY SHAREHOLDERS

Inspection of documents and records of the Company, if desired by any shareholder shall be facilitated by the Company, to the extent and in the manner allowed under the Act.

105.AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity Shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

106.SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the Managing Director or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director will be inexpedient in the interest of the shareholders of the company to communicate to the public.

107.DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.



SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office at 1/21, Asaf Ali Road, New Delhi 110 002, India, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Issue Agreement dated February 24, 2016, entered into among our Company and the BRLMs.
2. Agreement dated February 18, 2016, entered into among our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] entered into among our Company, the BRLMs, the Syndicate Members, Anchor Escrow Collection Bank and Refund Bank, and the Registrar to the Issue.
4. Syndicate Agreement dated [●] entered into among our Company, the BRLMs and Syndicate Members.
5. Underwriting Agreement dated [●] entered into among our Company, the BRLMs and Syndicate Members.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated May 28, 1992.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated December 15, 2015 and January 8, 2016, respectively, authorizing the Issue and other related matters.
4. Resolution of the Board of Directors of our Company dated February 4, 2016 and the resolution dated February 25, 2016 of the IPO Committee of our Company approving the Draft Red Herring Prospectus.
5. Resolutions of the Board of Directors and Equity Shareholders of our Company, each dated January 21, 2016 appointing Mr. Vinod Ratan as the Whole-time Director and Chief Financial Officer of our Company.
6. Resolution of the Board of Directors of our Company dated February 4, 2016, approving the Pre-IPO Placement.
7. Copies of the annual reports of our Company for fiscal 2015, 2014, 2013, 2012 and 2011 immediately preceding the date of this Draft Red Herring Prospectus.
8. The audit reports of the Auditor, Sahni Mehra & Co., Chartered Accountants, on our restated financial information, and statement of tax benefits included in this Draft Red Herring Prospectus.
9. Consents of the Auditor, Sahni Mehra & Co., Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Red Herring Prospectus and as an expert, as defined under Section 2(38) of the Companies Act 2013, in relation to their audit report dated December 24, 2015 on our restated financial information and the statement of tax benefits in the form and context in which it appears in this Draft Red Herring Prospectus.
10. Consents of Bankers to our Company, the lenders to the Company (where such consent is required), the BRLMs, Syndicate Members, Registrar to the Issue, Bankers to the Issue/Anchor Escrow Collection Banks, legal counsel, Directors of our Company, Chief Financial Officer, Company Secretary and Compliance Officer and Frost & Sullivan, as referred to act, in their respective capacities.
11. Report titled ‘*Indian Power Sector Overview and Market Landscape for Select Electrical Equipments*’ dated February 2016, prepared by Frost & Sullivan and their consent dated February 18, 2016, to use such report or any extract thereof.
12. Report titled ‘*Gas in India 2015: Marketplace, E&P, LNG, Pipelines & CGD dated September 2015, prepared by India Infrastructure Research*’ dated September 2015, prepared by India Infrastructure Research, and their consent dated February 24, 2016, to use such report or any extract thereof.
13. In-principle listing approvals dated [●] and [●] from the BSE and the NSE.
14. Tripartite Agreement dated [●] among our Company, NSDL and the Registrar to the Issue.
15. Tripartite Agreement dated February 16, 2016 among our Company, CDSL and the Registrar to the Issue.
16. Due diligence certificate to SEBI from the BRLMs, dated February 25, 2016.
17. Joint venture agreement dated October 30, 2010 entered into between our Company and Shriji Designs.
18. Joint venture agreement dated June 22, 2011 entered into between our Company, Shriji Designs and Trimurthi Hitech Company Private Limited.
19. Memorandum of family severance dated February 20, 2016.



20. Non-compete agreements, each dated February 18, 2016 entered into by our Company with our corporate Promoters, Havell's Private Limited, HIL and HEPL and our Group Companies, HPL Projects Portfolio Private Limited, JIPL and LK-HPL Private Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

(Mr. Lalit Seth)
(Chairman and Managing Director)

(Mr. Rishi Seth)
(Joint Managing Director)

(Mr. Gautam Seth)
(Joint Managing Director)

(Mr. Chandra Prakash Jain)
(Whole-time Director (Operations))

(Mr. Vinod Ratan)
(Whole-time Director (Finance)
and Chief Financial Officer)

(Mr. Tarun Sehgal)
(Independent Director)

(Mr. Jatinder Singh Sabharwal)
(Independent Director)

(Ms. Madhu Bala Nath)
(Independent Director)

(Mr. Jainul Haque)
(Independent Director)

(Mr. Virender Kumar Bajaj)
(Independent Director)

Place: New Delhi

Date: February 25, 2016