



## CENTURY METAL RECYCLING LIMITED

Our Company was incorporated as 'Bhairav Leasing and Finance Private Limited' at New Delhi, on July 25, 1994 under the Companies Act, 1956 ("Companies Act, 1956") as a private limited company with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi (the "RoC"). The name of our Company was changed to 'Century Aluminium Industries Private Limited' pursuant to a resolution of our Shareholders dated August 31, 2004 and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on May 31, 2005. Subsequently, pursuant to a resolution of our Shareholders dated March 27, 2006, the name of our Company was changed to 'Century Metal Recycling Private Limited' and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on April 23, 2006. On the conversion of our Company to a public limited company pursuant to a resolution passed by our Shareholders dated March 19, 2018, our name was changed to 'Century Metal Recycling Limited' and a fresh certificate of incorporation dated April 2, 2018 was issued by the RoC. For more information on the changes in name and registered office of our Company, see the section "History and Corporate Structure" on page 145.

Corporate Identity Number: U74899DL1994PLC060453

Registered Office: W 5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India

Corporate Office: Unit nos. 802 - 803, SSR Corporate Park, 8th Floor, 13/6, Sector 27 B, Delhi - Mathura Road, Faridabad 121 003, Haryana, India

Contact Person: Pradeep Singh, Company Secretary and Compliance Officer; Telephone: +91 129 422 3050; Facsimile: +91 129 422 3052

Email: complianceofficer@century.in; Website: www.cmr.co.in

## OUR PROMOTERS: GAURI SHANKAR AGARWALA, MOHAN AGARWAL, KALAWATI AGARWAL AND PRATIBHA AGARWAL

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF CENTURY METAL RECYCLING LIMITED, (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,500 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,402,650 EQUITY SHARES, CONSISTING OF UP TO 793,243 EQUITY SHARES BY GAURI SHANKAR AGARWALA, UP TO 788,955 EQUITY SHARES BY MOHAN AGARWAL, UP TO 397,441 EQUITY SHARES BY KALAWATI AGARWAL AND UP TO 534,921 EQUITY SHARES BY PRATIBHA AGARWAL (THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 236,632 EQUITY SHARES BY GAURI SHANKAR AGARWALA HUF, UP TO 68 EQUITY SHARES BY MOHAN AGARWAL HUF, UP TO 527,484 EQUITY SHARES BY SANJIVANI NON FERROUS TRADING PRIVATE LIMITED AND UP TO 573,520 EQUITY SHARES BY GRAND METAL RECYCLING PRIVATE LIMITED (THE "PROMOTER GROUP SELLING SHAREHOLDERS") AND UP TO 2,550,386 EQUITY SHARES BY GLOBAL SCRAP PROCESSORS LIMITED (THE "INVESTOR SELLING SHAREHOLDER"), AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS AND PROMOTER GROUP SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST FIVE (5) WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN [●] EDITION OF ENGLISH NATIONAL DAILY NEWSPAPER [●] AND [●] EDITION OF THE HINDI NATIONAL DAILY NEWSPAPER [●], HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI WHERE OUR REGISTERED OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of revision in the Price Band, the Bid/Offer Period will be extended by at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and at the terminals of the members of the Syndicate and intimation to the other Designated Intermediaries.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "SCRR"). It is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Investor Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to the Anchor Investors, which price shall be determined by the Company and the Investor Selling Shareholder in consultation with the BRLMs ("Anchor Investor Allocation Price"). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs"), to participate in the Offer. For details, see the section "Offer Procedure" on page 481.

## RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there is no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Investor Selling Shareholder in consultation with the BRLMs as stated under the section "Basis for Offer Price" on page 94) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

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

## ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Promoter Selling Shareholder and the Promoter Group Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or undertaken by such Promoter Selling Shareholder or Promoter Group Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to such Promoter Selling Shareholder or Promoter Group Selling Shareholder and/or its portion of the Equity Shares to be offered in the Offer for Sale and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Further, the Investor Selling Shareholder accepts responsibility for and confirms only the statements specifically made by the Investor Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to the Investor Selling Shareholder and its portion of the Equity Shares offered in the Offer for Sale.

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see the section "Material Contracts and Documents for Inspection" on page 557.

## BOOK RUNNING LEAD MANAGERS

## REGISTRAR TO THE OFFER



## ICICI SECURITIES LIMITED

ICICI Centre, H. T. Parekh Marg  
Churchgate, Mumbai 400 020  
Maharashtra, India  
Telephone: +91 22 2288 2460  
Facsimile: +91 22 2282 6580  
Email: cmr.ipo@icicisecurities.com  
Investor grievance email: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Rupesh Khant  
SEBI Registration No.: INM000011179

## EDELWEISS FINANCIAL SERVICES LIMITED

14th Floor, Edelweiss House  
Off. C.S.T. Road, Kalina  
Mumbai 400 098  
Maharashtra, India  
Telephone: +91 22 4009 4400  
Facsimile: +91 22 4086 3610  
Email: cmr.ipo@edelweissfin.com  
Investor grievance email: customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Ashish Gupta  
SEBI Registration No.: INM0000010650

## KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium, Tower B  
Plot Number 31 and 32  
Gachibowli, Financial District Nanakramguda  
Hyderabad, 500 032, India  
Tel: +91 40 6716 2222  
Fax: +91 40 2342 0814  
Email: century.ipo@karvy.com  
Investor grievance email: einward.rti@karvy.com  
Website: www.karvycomputershare.com  
Contact Person: M. Muralikrishna  
SEBI Registration No.: INR000000221

## BID / OFFER PERIOD

## BID/OFFER OPENS ON:

[●]<sup>(1)</sup>

## BID/OFFER CLOSES ON:

[●]<sup>(2)</sup>

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

[THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

## TABLE OF CONTENTS

<b>SECTION I: GENERAL .....</b>	<b>1</b>
DEFINITIONS AND ABBREVIATIONS.....	1
CERTAIN CONVENTIONS: PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION .....	12
FORWARD-LOOKING STATEMENTS.....	15
<b>SECTION II: RISK FACTORS .....</b>	<b>17</b>
<b>SECTION III: INTRODUCTION.....</b>	<b>47</b>
SUMMARY OF INDUSTRY .....	47
SUMMARY OF BUSINESS .....	52
SUMMARY FINANCIAL INFORMATION.....	55
THE OFFER.....	62
GENERAL INFORMATION .....	64
CAPITAL STRUCTURE .....	72
OBJECTS OF THE OFFER.....	88
BASIS FOR OFFER PRICE .....	94
STATEMENT OF TAX BENEFITS.....	97
<b>SECTION IV: ABOUT THE COMPANY.....</b>	<b>99</b>
INDUSTRY OVERVIEW .....	99
OUR BUSINESS.....	119
KEY REGULATIONS AND POLICIES.....	141
HISTORY AND CORPORATE STRUCTURE .....	145
OUR SUBSIDIARIES.....	152
OUR MANAGEMENT.....	156
OUR PROMOTER AND PROMOTER GROUP .....	174
OUR GROUP COMPANIES .....	178
RELATED PARTY TRANSACTIONS .....	186
OUR DIVIDEND POLICY.....	187
<b>SECTION V: FINANCIAL INFORMATION .....</b>	<b>188</b>
FINANCIAL STATEMENTS .....	188
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	416
FINANCIAL INDEBTEDNESS.....	444
<b>SECTION VI: LEGAL AND OTHER INFORMATION .....</b>	<b>447</b>
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS.....	447
GOVERNMENT AND OTHER APPROVALS.....	457
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	459
<b>SECTION VII: OFFER RELATED INFORMATION .....</b>	<b>473</b>
TERMS OF THE OFFER.....	473
OFFER STRUCTURE.....	478
OFFER PROCEDURE .....	481
<b>SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION.....</b>	<b>525</b>
<b>SECTION IX: OTHER INFORMATION.....</b>	<b>557</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	557
DECLARATION.....	560

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Red Herring Prospectus, and references to any statute, rules, guidelines or regulations or acts or policies shall include amendments thereto, from time to time. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

#### General Terms

Term	Description
Company/our Company/Issuer	Century Metal Recycling Limited, a company incorporated under the Companies Act, 1956 and having its registered office at W 5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India
We/us/our	Unless the context otherwise indicates or implies, refers to our Company on a consolidated basis together with the Subsidiaries. However, except in relation to where financial information is being used, the reference is to our Company, together with the Subsidiaries and the Associate

#### Company Related Terms

Term	Description
Articles / Articles of Association	Articles of association of our Company, as amended from time to time
Associate / Associate Company	The associate company of our Company, namely Suvridhi Financial Services Limited
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/Statutory Auditor	The statutory auditor of our Company, S. R. Batliboi & Co. LLP, Chartered Accountants
Bawal Unit	CMRN's manufacturing facility situated at plot number 65, sector 15, Bawal Industrial Area, Bawal, Haryana 123 501, India
Bhiwadi Unit	Our Company's manufacturing facility situated at SP-1D, RIICO Industrial Area, Tapukara, Bhiwadi, District Alwar, Rajasthan 301 701, India
Board / Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
CCPS	Compulsorily Convertible Preference Shares of face value of ₹ 10 each
CCPS Conversion Letter	Letter dated May 29, 2018, issued by our Company to Global Scrap Processors Limited, indicating the number of CCPS, held by Global Scrap Processors Limited, that are to be transferred to GMRPL and subsequently converted, and the remaining CCPS, held by Global Scrap Processors Limited, which shall also be converted, prior to the filing of the Red Herring Prospectus with the RoC. For details, see " <i>History and Corporate Structure</i> " on page 145
Chennai Unit	CMRT's manufacturing facility situated at plot number A4 and A5, SIPCOT Industrial Park, Pillaipakkam, Sriperumbudur, Chennai 602 105, India
CMRN	One of our Subsidiaries, CMR Nikkei India Private Limited. For further details, refer to the section " <i>Our Subsidiaries</i> " on page 152
CMRN Joint Venture Agreement	Joint venture agreement dated July 25, 2012 entered into between our Company and Nikkei MC Aluminium Company Limited. For details, refer to the section " <i>History and Corporate Structure</i> " on page 145
CMRT	One of our Subsidiaries, CMR-Toyotsu Aluminium India Private Limited. For further details, refer to the section " <i>Our Subsidiaries</i> " on page 152
CMRT Joint Venture Agreement	Joint venture agreement dated September 4, 2012 between our Company and Toyota Tsusho Corporation. For details, refer to the section " <i>History and Corporate Structure</i> " on page 145
CMRW	One of our Subsidiaries, CMR Welfare Foundation For further details, refer to the section " <i>Our Subsidiaries</i> " on page 152
Compliance Officer	Our company secretary who has been appointed as the compliance officer of our Company
Corporate Office	The corporate office of our Company situated at Unit nos. 802 – 803, SSR Corporate Park, 8th Floor, 13/6, Sector 27 B, Delhi - Mathura Road, Faridabad 121 003, Haryana, India
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted as our Company's corporate social responsibility committee in accordance with the Companies Act, 2013
CRISIL Report	A report titled 'Assessment of Indian Aluminium Recycling Industry', dated May, 2018,

Term	Description
	prepared by CRISIL Research
CTPL	One of our Subsidiaries, CTA Trading Private Limited. For further details, refer to the section “ <i>Our Subsidiaries</i> ” on page 152
Director(s)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
FMPL	Forever Multimedia Private Limited
GMIPL	Grand Metal Industries Private Limited
GMRPL	Grand Metal Recycling Private Limited
Facilities/ Manufacturing Facilities	The manufacturing facilities of our Company namely Tatarpur Unit, Haridwar Unit, Gurugram Unit, Bhiwadi Unit, Bawal Unit, Chennai Unit and Manesar Unit
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations. For details, refer to the section “ <i>Our Group Companies</i> ” on page 178
Gurugram Unit	Our Company’s manufacturing facility situated at 38 - 6, Village Narsinghpur, Delhi - Jaipur Highway, Gurugram, Haryana 122 001, India
Haridwar Unit	Our Company’s manufacturing facility situated at 3/P-2, sector 10, I.I.E. State Industrial Development Corporation of Uttaranchal, Integrated Industrial Estate BHEL, Haridwar, Uttarakhand 249 403, India
Investment Agreement	Agreement dated September 24, 2013 entered into among our Company, Mohan Agarwal HUF, Gauri Shankar Agarwala HUF, Kalawati Agarwal, Pratibha Agarwal, Ramayana Polymers Private Limited, Forever Multimedia Private Limited, Sanjivani Non Ferrous Trading Private Limited, Grand Metal Recycling Private Limited, Suvridhi Financial Services Limited and Global Scrap Processors Limited, as amended. For details, see “ <i>History and Corporate Structure</i> ” on page 145
IPO Committee	The committee of the Board of Directors as described in the section “ <i>Our Management</i> ” on page 156
Key Management Personnel/KMP	The individuals described in the sub-section “ <i>Our Management – Key Management Personnel</i> ” on page 171
Manesar Unit	Our Company’s manufacturing facility situated at plot number 182, sector 5, IMT Manesar, Gurugram, Haryana 122 050, India
Memorandum/ Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Nikkei	Nikkei MC Aluminium Company Limited
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company’s nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013
Proforma Financial Statements	<p>The proforma financial statements of our Company, comprising of the proforma balance sheet as at March 31, 2017 and December 31, 2017 and the proforma statement of profit and loss for the Fiscal Year ended March 31, 2017 and the nine months period ended December 31, 2017, read with the notes thereto, prepared in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the SEBI ICDR Regulations, to reflect the impact of a divestment, i.e. of Sanjivani Non Ferrous Trading Private Limited by our Company (on a consolidated basis), made after the date of the latest annual audited financial statements of our Company.</p> <p>The proforma balance sheet as at March 31, 2017 and December 31, 2017 have been prepared to reflect the divestment of Sanjivani as if the divestment happened on March 31, 2017 and December 31, 2017 respectively. The proforma statements of profit and loss for the Fiscal Year ended March 31, 2017 and for the nine month period ended December 31, 2017 have been prepared to reflect the financial performance as if the divestment of Sanjivani occurred on April 1, 2016 and April 1, 2017, respectively.</p>
Promoters	The promoters of our Company, namely, Gauri Shankar Agarwala, Mohan Agarwal, Kalawati Agarwal and Pratibha Agarwal
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details of our Company’s Promoter Group, refer to the section “ <i>Our Promoter and Promoter Group</i> ” on page 174
RPPL	Ramayana Polymers Private Limited
Registered Office	The registered office of our Company, situated at W 5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India
Registrar of Companies/RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi
Restated Consolidated Financial Statements	The restated consolidated statement of assets and liabilities, as at December 31, 2017, and as at March 31, 2017, 2016 (proforma), 2015 (proforma), 2014 (proforma) and 2013 (proforma),

Term	Description
	the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the nine month period ended December 31, 2017, and each of the Fiscals 2017, 2016 (proforma), 2015 (proforma), 2014 (proforma) and 2013 (proforma), together with the annexures thereto of our Company, its Subsidiaries and Associate, read along with all the notes thereto and included in the section “ <i>Financial Statements</i> ” on page 188
Restated Financial Statements	Collectively, the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements
Restated Unconsolidated Financial Statements	The restated unconsolidated statement of assets and liabilities as at December 31, 2017, and as at March 31, 2017, 2016 (proforma), 2015 (proforma), 2014 (proforma) and 2013 (proforma), the restated unconsolidated statement of profit and loss (including other comprehensive income), the restated unconsolidated statement of cash flows and the restated unconsolidated statement of changes in equity for the nine month period ended December 31, 2017, and each of the Fiscals 2017, 2016 (proforma), 2015 (proforma), 2014 (proforma) and 2013 (proforma), together with the annexures thereto of our Company, read along with all the notes thereto and included in the section “ <i>Financial Statements</i> ” on page 188
Sanjivani	Sanjivani Non Ferrous Trading Private Limited
Shareholders	Shareholders of our Company, from time to time
Share Sale and Purchase Agreement	Share Sale and Purchase Agreement dated January 20, 2018, entered into between the Company, Global Scrap Processors Limited and Mohan Agarwal HUF, Gauri Shankar Agarwala HUF, Kalawati Agarwal, Pratibha Agarwal, Ramayana Polymers Private Limited, Forever Multimedia Private Limited, Sanjivani Non Ferrous Trading Private Limited, Grand Metal Recycling Private Limited and Suvridhi Financial Services Limited
SPA Amendment Agreement	Agreement dated May 8, 2018, amending the Share Sale and Purchase Agreement dated January 20, 2018, pursuant to which, Global Scrap Processors Limited agreed to transfer 1,027,110 CCPS to a wholly owned entity of certain members of our Promoter Group. For details, see “ <i>History and Corporate Structure</i> ” on page 145
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations
Subsidiaries	The subsidiaries of our Company namely CMRN, CMRT, CMRW and CTPL. For details, refer to the section “ <i>Our Subsidiaries</i> ” beginning on page 152
SFSL	Suvridhi Financial Services Limited
Tatarpur Unit	Our Company’s manufacturing facility situated at Village Tatarpur, Palwal, Haryana 121 102, India
Tsusho India	Toyota Tsusho India Private Limited
Toyota Tsusho	Toyota Tsusho Corporation

## Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid Cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹ 100.00 million, in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investor in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Investor Selling Shareholder in consultation with the BRLMs on the Anchor Investor Bid/ Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/ Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any bids from Anchor investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Investor Selling Shareholder in consultation with the BRLMs

<b>Term</b>	<b>Description</b>
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting of [●] Equity Shares, which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
ASBA Bidder	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the sub-section titled “Offer Procedure- Allotment Procedure and Basis of Allotment” on page 515
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than Anchor Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account on submission of a bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] edition of English national daily newspaper [●] and [●] edition of Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi where our Registered Office is situated, each with wide circulation and in case of any revision. Our Company and the Investor Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Offer, which shall be notified in [●] edition of English national daily newspaper [●] and [●] edition of Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi where our Registered Office is situated, each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective investors can submit their Bids, including any revisions thereof.  Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one (1) Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations
Bid Lot	[●] Equity Shares.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
BRLMs/Book Running Lead Managers	The book running lead managers to the Offer, being ICICI Securities Limited and Edelweiss Financial Services Limited
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period

<b>Term</b>	<b>Description</b>
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Refund Banker and the Public Offer Bank(s) for collection of the Bid Amounts from the Anchor Investors, transfer of funds from the Escrow Account to the Public Offer Account and where applicable, refunds of the amounts collected from the Bidders, on the terms and conditions thereof
Collecting Depository Participant(s) or CDP(s)	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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Offer with the BRLMs, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Cut-off Price	The Offer Price, finalised by our Company and the Investor Selling Shareholder, in consultation with BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by SCSBs as the case may be, to the Public Offer Account or the Refund Account, as appropriate in terms of the Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Syndicate, sub-syndicate, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6">http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6</a> and <a href="http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm">http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm</a> )
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6">http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6</a> and <a href="http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm">http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm</a> )
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 11, 2018 issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be allotted and the size of the Offer, including any corrigenda or addenda thereto
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Escrow Account(s)	Account(s) to be opened for the Offer with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue or transfer money through direct credit/NACH/NECS/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agent	[●]
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹ 1,500 million by our Company
General Information	The General Information Document prepared and issued in accordance with the circular



Term	Description
Document/GID	(CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015, (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, suitably modified and included in the section “Offer Procedure” on page 481
Investor Selling Shareholder	Global Scrap Processors Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of Offer related expenses. For further information about the Offer related expenses, see the section “Objects of the Offer” on page 88
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer	Public issue of up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million, comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated June 11, 2018 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, on the Pricing Date. Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to the Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see the section “Objects of the Offer” on page 88
Offer for Sale	The offer for sale of up to 6,402,650 Equity Shares by the Selling Shareholders aggregating to up to ₹ [●] million, comprising of such number of Equity Shares by each of the Selling Shareholders as set out in the section “The Offer” on page 62
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof.  The Price Band will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs and will be advertised, at least five (5) Working Days prior to the Bid/Offer Opening Date, in [●] edition of English national daily newspaper [●] and [●] edition of Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi, where our Registered Office is situated, each with wide circulation
Pricing Date	The date on which our Company and the Investor Selling Shareholder, in consultation with BRLMs, will finalise the Offer Price
Promoter Selling Shareholders	Collectively, Gauri Shankar Agarwala, Mohan Agarwal, Kalawati Agarwal and Pratibha Agarwal
Promoter Group Selling Shareholders	Collectively, Gauri Shankar Agarwala HUF, Mohan Agarwal HUF, Sanjivani Non Ferrous Trading Private Limited and Grand Metal Recycling Private Limited
Prospectus	The Prospectus to be filed with the RoC, on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined through the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Account to be opened with the Public Offer Bank(s) in accordance with Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and to which the funds shall be transferred by the SCSBs from the ASBA Accounts of the successful Allottees, on or after the Designated Date
Public Offer Bank(s)	Bank(s) which is a clearing member and registered with the SEBI as a banker to an issue, with whom the Public Offer Account for collection of bidding amount from Escrow Account(s) and ASBA Accounts of the successful Allottees will be opened
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) not more than 50% of the Offer, comprising [●] Equity Shares, which shall be available for allocation to QIBs, including

<b>Term</b>	<b>Description</b>
	the Anchor Investors, subject to valid bids being received at or above the Offer Price
Qualified Institutional Buyers/QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, and includes any addenda and corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three (3) Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Banker, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Banker	[●]
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate, in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated June 7, 2018 between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents/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, in this case being Karvy Computershare Private Limited
Registrar to the Offer/Registrar	Registrar to the Offer, in this case being, Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous revision form(s) before closure of the Offer.  QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bid (in terms of quality of Equity Shares or the Bid Amount) at any stage, once submitted. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw the Bids until the Bid/Offer Closing Date.
Self-Certified Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from, time to time
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Selling Shareholders	The Promoter Selling Shareholders, the Promoter Group Selling Shareholders and the Investor Selling Shareholder
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Stock Exchange(s)	BSE and/ or NSE, as the context may refer to
Syndicate Agreement	The agreement to be entered into amongst the BRLMs, the Syndicate Members, the Registrar to the Offer, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●]
Syndicate/ members of the Syndicate	BRLMs and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, our Company, the Selling Shareholders and the Registrar to the Offer, to be entered into on or after the Pricing Date
Working Days	“Working Day”, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days

Term	Description
	of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

### Industry Related Terms

Term	Description
AMP 2026	The Automotive Mission Plan: 2016-26 issued by Ministry of Heavy Industries
B&C	Building and construction
CCEA	Cabinet Committee on Economic Affairs
ERP	Enterprise resource planning
LCV	Light commercial vehicle
MHCV	Medium Heavy Commercial Vehicle
MIS	Management Information System
MT	Metric tonne
NCR	National Capital Region
OEM	Original Equipment Manufacturer
Tier 1 companies	Tier 1 auto component suppliers
WPI	Wholesale Price Index
y-o-y	Year Over Year
kg	Kilograms
KTPA	Kilo tonnes per annum

### Conventional Terms/ Abbreviations and Reference to Other Business Entities

Term	Description
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the ICAI
AY	Assessment Year
BSE	BSE Limited
Banking Regulation Act	The Banking Regulation Act, 1949
CAGR	Compounded Annual Growth Rate
Calendar Year	Unless the context requires, shall refer to the 12-month period ending December 31, of the year
Category I alternative investment fund(s) / Category I AIFs	AIFs who are registered as “Category I Alternate Investment Fund” under the SEBI AIF Regulations
Category II alternative investment fund(s) / Category II AIFs	AIFs who are registered as “Category II Alternate Investment Fund” under the SEBI AIF Regulations
Category III alternative investment fund(s) / Category III AIFs	AIFs who are registered as “Category III Alternate Investment Fund” under the SEBI AIF Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate identity number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Bidder’s beneficiary account
Companies Act/Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections

Term	Description
Consolidated FDI Policy	The extant consolidated FDI Policy, issued by the DIPP, and any modifications thereto or substitutions thereof, issued from time to time (currently, the Consolidated FDI Policy effective from August 28, 2017)
CSR	Corporate social responsibility
Debt/Equity Ratio	The debt/equity ratio is a financial ratio indicating the relative proportion of debt and equity. For the purpose of computing debt/equity ratio, debt includes non current borrowings (including current maturities of long term borrowings) as well as current borrowings. Equity represents total equity
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
Electricity Act	Electricity Act, 2003
EPS	Earnings Per Share i.e., profit after tax for a Fiscal divided by the weighted average outstanding number of equity shares at the end of that Fiscal
FCNR	Foreign currency non-resident
Factories Act	Factories Act, 1948
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIFO	First in first out
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Financial Year/ Fiscal/ fiscal/ FY	Period of twelve months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General index register
GoI / Government	Government of India
GST	Goods and Services Tax
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by International Accounting Standards Board
Ind AS	The Indian Accounting Standards referred to in and notified by the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT	Information Technology
I.T. Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
km	Kilometre
kWh	Kilowatt hour
LC	Letter of Credit
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
Mn / mn	Million
MICR	Magnetic ink character recognition
N.A.	Not applicable
NACH	National Automated Clearing House
NCT	National Capital Territory
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer

Term		Description
NGO		Non-governmental organisation
Notified Sections		The sections of the Companies Act, 2013 that have been notified as having come into effect prior to the date of this Draft Red Herring Prospectus
NOC		No Objection Certificate
NR/Non-Resident		A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE Account		Non Resident External Account
NRI		A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account		Non Resident Ordinary Account
NSDL		National Securities Depository Limited
NSE		National Stock Exchange of India Limited
OCB/Overseas Corporate Body		A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in the Offer
p.a.		Per annum
P&L		Profit and loss
P/E Ratio		Price/earnings Ratio
PAN		Permanent Account Number allotted under the Income Tax Act, 1961
PAT		Profit after tax
PIO		Persons of Indian Origin
PLR		Prime Lending Rate
QE		Quarter ended
QIB		Qualified Institutional Buyer
RBI		The Reserve Bank of India
Regulation S		Regulation S under the U.S. Securities Act
Registration Act		Registration Act, 1908
ROCE		Return on Capital Employed
RONW		Return on Net Worth
Rupees / Rs. / ₹ / INR		Indian Rupees
RTGS		Real Time Gross Settlement
SBI		State Bank of India
SCRA		Securities Contracts (Regulation) Act, 1956
SCRR		Securities Contracts (Regulation) Rules, 1957
SEBI		The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act		Securities and Exchange Board of India Act 1992
SEBI AIF Regulations		Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Delisting Regulations		Securities and Exchange Board of India (Delisting of Equity Shares) 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 Investor) Regulations, 2000
SEBI ICDR Regulations		Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations		Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations		Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations		Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SICA		Sick Industrial Companies (Special Provisions) Act, 1985
SIDCUL		State Industrial Development Corporation of Uttarakhand
SIPCO		State Industries Promotion Corporation of Tamil Nadu Limited
Sq. Ft./sq. ft.		Square feet
State Government		The Government of a state in India
Sec.		Section
SEZ		Special Economic Zone
Stamp Act		The Indian Stamp Act, 1899
STT		Securities Transaction Tax
Systemically Important Non-Banking Financial Companies		A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements

<b>Term</b>	<b>Description</b>
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
T.P. Act	Transfer of Property Act, 1882
UIN	Unique Identification Number
UNFCCC	United Nations Framework Convention on Climate Change
US / USA	United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Notwithstanding the foregoing, terms in the sections “*Statement of Tax Benefits*”, “*Financial Statements*”, “*Offer Procedure – Part B - General Information Document for Investing in Public Issues*” and “*Main Provisions of Articles of Association*” on pages 97, 188, 493 and 525, respectively, shall have the meaning given to such terms in such sections.

## **CERTAIN CONVENTIONS: PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the “U.S.”, “U.S.A.” or the “United States” are to the United States of America. Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless stated otherwise or the context requires otherwise, financial data and financial ratios included in this Draft Red Herring Prospectus have been derived from the Restated Financial Statements. For further information on the Restated Financial Statements, see the section “*Financial Statements*” beginning on page 188.

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

The restated financial statements as at and for the Fiscal ended 2017 and the nine month period ended December 31, 2017 are prepared under Indian Accounting Standards (“**Ind AS**”), the Companies Act, 2013, the guidance notes issued by ICAI and restated in accordance with the SEBI ICDR Regulations. Further, the restated financial statements as at and for Fiscals 2013, 2014, 2015 and 2016, are prepared under Ind AS by making Ind AS adjustments to the audited consolidated financial statements prepared under the Generally Accepted Accounting Principles in India (“**Indian GAAP**”), as at and for Fiscals 2016, 2015, 2014 and 2013 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“**SEBI Circular**”) and Guidance Note on Reports in Company Prospectuses (Revised 2016) (“**Guidance Note**”). Accordingly, we have not explained significant differences that exist between the Indian GAAP and Ind AS and any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act, the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. There may be a possibility that the Consolidated and Unconsolidated Financial Statements as at and for the nine month period ended December 31, 2017 may require adjustments on account of assumptions that the management has made about the standards, interpretations expected to be effective and the policies expected to be adopted when our Company prepares its full set of Ind AS consolidated and unconsolidated financial statements as at and for the year ended March 31, 2018.

Additionally, the Proforma Financial Statements, as required under the SEBI ICDR Regulations have been prepared to reflect the divestment of a material subsidiary, Sanjivani, in which we relinquished control with effect from May 30, 2018. Post this divestment, Sanjivani ceased to be our Subsidiary.

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

Earnings Before Interest, Tax, Depreciation and Amortization (“**EBITDA**”) presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

Unless otherwise indicated or the context requires otherwise, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in the sections “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion*

and Analysis of Financial Condition and Results of Operations” beginning on pages 17, 119 and 416, respectively, have been calculated on the basis of the Restated Financial Statements. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding-off adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. 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 figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

## **Industry and Market Data**

The sections “Summary of Industry” and “Industry Overview” quote and otherwise include information from a commissioned report titled “Assessment of Indian Aluminium Recycling Industry” of May 2018, released in Mumbai, prepared by CRISIL Research (“**CRISIL Report**”) for the purposes of this Draft Red Herring Prospectus. We commissioned CRISIL Research to provide an independent assessment of the opportunities, dynamics and competitive landscape of the markets in India for the business we are engaged in. CRISIL Research has issued the CRISIL Report with the following disclaimer:

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

Except for the CRISIL Report, we have not commissioned any report for purposes of this Draft Red Herring Prospectus and any market and industry related data, other than that derived from the CRISIL Report, used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section “Risk Factors - This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research.” on page 36. Accordingly, investment decisions should not be based solely on such information.

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

In accordance with the SEBI ICDR Regulations, the section “Basis for Offer Price” on page 94 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

## **Time**

Unless otherwise stated, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

## **Currency and Units of Presentation**



All references to “**Rupees**”, “**₹**” or “**Rs.**” or “**INR**” are to Indian Rupees, the official currency of the Republic of India. All references to “**USD**” or “**\$**” or United States Dollars are to the official currency of the United States of America. All references to “**YEN**” or “**¥**” are to Yen, the official currency of Japan.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000. All the numbers in the document, have been presented in million or in whole numbers where the numbers have been too small to present in millions. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded-off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources

## Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations.

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

(In ₹)

Currency	Exchange rate as on						
	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	December 31, 2017	March 31, 2018
1 US\$	54.39	60.10	62.59	66.33	64.84	63.93	65.04
1 YEN	0.58	0.59	0.52	0.59	0.58	0.57	0.62

Source: www.rbi.org.in

Note: In case March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

Such conversions should not be considered as a representation that such currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

## Definitions

For definitions, see the section “*Definitions and Abbreviations*” on page 1.

## FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. The investors can generally identify forward looking statements by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “will likely result”, or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe, the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India and our ability to respond to them, our ability to successfully implement our strategy, our development plan, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas, which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions, 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 could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Loss of one or more of our significant customers or a significant reduction in production and sales of, or demand for our production from our significant customers;
- Strict quality checks and a consequent requirement to incur significant expenses to maintain such product quality;
- Any accident, including any spill-over of high temperature liquid metal could cause serious injury to people or property and in certain circumstances, even death, during transit;
- Absence of any firm commitment long-term agreements with our customers;
- Volatility in the supply and pricing of our raw materials and a failure of our raw material suppliers to meet their obligations;
- Heavy dependence on the customers in the automotive sector as well as significant dependence on the performance of the automotive sector in India;
- Failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands;
- Our present Subsidiaries and future subsidiaries or joint ventures may be difficult to integrate and manage, and other shareholders in such entities may not perform their obligations satisfactorily and their interest may differ than ours;
- Our inability to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity increases;
- Restriction of our operations on account of the geographical concentration of our manufacturing facilities;
- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements;
- Increased costs on account of compliance with various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations; and
- Dependence on a number of key management personnel and senior management personnel.

For further discussion of factors that could cause our actual results to differ, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on

pages 17, 119 and 416, respectively.

By their nature, certain 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. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Our Company, the Selling Shareholders, our Directors, the BRLMs, other members of the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend 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.

Each Selling Shareholders will ensure that it will keep our Company, the Book Running Lead Managers and the investors informed of material developments in relation to statements and undertakings made by the particular Selling Shareholder with respect to itself and the Equity Shares offered by it in the Offer, in the Red Herring Prospectus and the Prospectus until the time of the grant of final listing and trading approvals by the Stock Exchanges. In accordance with the SEBI requirements, our Company, each Selling Shareholder (in respect of its own information and information relating to the Equity Shares being offered for sale by such Selling Shareholder included in this Draft Red Herring Prospectus) and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Offer. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See section “Forward-Looking Statements” beginning on page 15.*

*To obtain a complete understanding, prospective investors should read this section in conjunction with the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 119 and 416, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

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

### **Internal Risk Factors**

- 1. We depend on a limited number of customers for significant portions of our revenues. The loss of one or more of our significant customers or significant reduction in production and sales of, or demand for our production from our significant customers may adversely affect our business, financial condition, result of operations and cash flows.***

A significant proportion of our revenues have historically been derived from a limited number of customers. Reliance on a limited number of customers for our business may generally involve several risks. These risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers; failure to negotiate favourable terms with our key customers; the loss of these customers; all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company. Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which we may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers’ supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

Maintaining strong relationships with our key customers is, therefore, essential to our business strategy and to the growth of our business. Some of these customers have been associated with us for the past ten years. Some of our customers may place demands on our resources or may require us to undertake additional obligations which have the effect of increasing our operating costs and therefore affect our profitability. Further, a decline in our customers’ business performance may lead to a corresponding decrease in demand for our products. Furthermore, the volume of work performed for these customers may vary from period to period and we may not be the exclusive aluminum alloys provider for our customers. In addition, we have no long-term purchase agreement with any of our customers, and instead rely on short term purchase orders. Consequently, the loss of any existing key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers or secure new customers to offset any loss of revenue from the loss of any of our existing key customers. As a consequence of our reliance on such customers, any adverse change in the financial condition of these customers may also have an adverse effect on our business, financial condition, results of operations, cash flows and future benefits.

2. ***We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.***

We currently specialize in manufacture and supply of aluminium alloy ingots as well as liquid aluminium alloys based on technical specifications provided by our customers. Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers regarding the chemical composition of the alloy, may lead to cancellation of the orders placed by our customers. Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill.

Additionally, prior to placing the orders, there is a detailed review process that is undertaken by certain customers. This may involve inspection of the manufacturing facilities, review of the manufacturing processes, review of the raw materials, review of our financial capabilities, technical review of the designs and specification of the proposed product, review of our logistical capabilities across geographies, review of the target price by the purchase team of the customer and multiple inspection and review of prototypes of the product. The finished product delivered by us is further subject to laboratory validation by certain customers. This is an extensive and stringent process undertaken by our customers. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems such as periodic checking by the operators to ensure there is no defect from the previous stage operator, forming a separate team of engineers responsible for quality and assurance both in the manufacturing facilities and machineries, and in the manufacturing processes. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control a failure of which may negatively impact our profitability.

3. ***We heavily depend on the customers in the automotive sector and are significantly dependent on the performance of the automotive sector in India. A loss of, or a significant decrease in business from these customers or a change in the preference of alloys used in the automotive industry or any adverse changes in the conditions affecting this sector can adversely impact our business, results of operations and financial condition.***

Our business is heavily dependent on the tier 1 auto component suppliers (“**Tier 1 companies**”) and original equipment manufacturers (“**OEMs**”) and their performance in the automotive sector in India. During Fiscal 2017 and the nine month period ended December 31, 2017, our Company supplied 77,942 MT and 68,086 MT liquid aluminium alloys and 57,028 MT and 43,768 MT aluminium alloy ingots, respectively, to Tier 1 companies and OEMs. As a result of our dependence on these customers, any loss of business from, or any significant reduction in the volume of business with, any of these customers, if not replaced, could materially and adversely affect our business, financial condition and results of operations.

The automotive industry tends to be affected directly by trends in the general economy. The automotive industry is sensitive to general economic conditions and factors such as consumer demand, consumer confidence, inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, political instability and fuel prices which may negatively affect the demand for our products. In particular, any technology driven disruption may change the way the automotive industry operates and could adversely affect certain of our existing customers if they are unable to anticipate and act upon these changes. Any significant reduction in vehicle sales and production by our customers could have a significant negative effect on the demand for our products. In the event of a decrease in demand for two-wheelers or passenger vehicles in India, or any developments that make the sale of components in the two-wheeler or passenger vehicle market in India less economically beneficial, we may experience adverse impact on our business, results of operations and financial condition. Further, a significant portion of our sales used in the manufacture of parts for engines in internal combustion cars, may or may not be used in electric vehicles. This could have a significant impact on our sales. These and other factors may negatively contribute to changes in the prices of and demand for our products in India and may adversely affect our business, results of operations and financial condition.

**4. *We do not have firm commitment long-term agreements with our customers. If our customers choose not to source their requirements from us or manufacture such products in-house, our business and results of operations may be adversely affected.***

We do not have firm commitment long-term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of our sales of products, from our customers. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules.

Additionally, certain customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand, among others, price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition. Further, most of our manufacturing facilities are strategically located close to our customers' facilities, which plays a significant role in aiding and nurturing a strong relationship with our customers. However, any of such customers may choose to relocate to a new location for business operations or there may be a disruption in the manufacturing operations of such customers in which case, our business, results of operations and financial condition may be adversely affected.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than-expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. For instance, in facilities that have been specially set up for servicing a single customer or a significant portion of the revenue is derived from a single customer, such lower utilization of these manufacturing facilities could also result in our realizing lower margins as we may not be able to undertake manufacturing in large numbers which is critical to our business. Consequently, as there is no commitment on the part of the customer to continue to place new orders with us, our sales from period to period may fluctuate significantly as a result of changes in our customers' preferences.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase staffing, increase capacity and incur other expenses to meet the anticipated demand of our customers, which could cause reductions in our margins if an order gets delayed or cancelled or modified.

**5. *Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

The principal raw materials used in our manufacturing process include aluminium based scrap such as zorba, taint labor, tense, troma, turning and tally, among others. Our cost of raw materials consumed, after adjustment of purchase of traded goods and (increase)/decrease in inventories of finished goods for the nine month period ended December 31, 2017 and for the Fiscals 2017, 2016 and 2015 was ₹ 15,057.15 million, ₹ 19,035.26 million, ₹ 19,470.25 million and ₹ 17,112.35 million, which represented 85.60%, 86.91%, 91.27% and 89.78% of our revenue from operations, net of excise duty on sale of goods, respectively. We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from

suppliers across the world. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. For instance, any increase in the current import duty of imported scrap, may have a significant impact on our business. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

Further, as we import most of our raw materials, payments are carried out in foreign currencies. This exposes us to currency fluctuation risk. The prices of raw materials used by us are volatile and are subject to various factors including fluctuation in commodity prices, global economic conditions and market speculation, among other factors. Given the nature of the international scrap industry, our purchase contracts are made on spot prices. This exposes us to a significant risk of price and currency fluctuations. Since we have long lead times in our supply chain due to high imports, the scrap markets and forex rate may fluctuate in the intervening time and we may not be able to adjust prices of our finished products against what we would have paid for our raw materials. We may not be able to effectively hedge ourselves from the fluctuations in scrap prices and foreign exchange rate and this may have an adverse impact on our profitability.

Further, any change in the supplying pattern of our raw materials can adversely affect our business and profits. We use third parties for the supply of our raw materials and for deliveries of finished products to our customers. Any delay in the supply or delivery of raw materials to us by our suppliers in other countries may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business and results of operations. Further, any adverse change in policies by other countries, in terms of tariff and non-tariff barriers or in their environmental laws and regulations, from which our suppliers export raw materials, may negatively impact our profitability. Additionally, transportation strikes have in the past and could in the future have an adverse effect on our supplies from particular facilities on a timely and cost efficient basis. An increase in freight costs or the unavailability of adequate transportation for our raw materials to us may have an adverse effect on our business and results of operations.

***6. Our manufacturing process is dependent on a technology driven production system. Any inability to successfully develop or procure specialized technology will adversely affect our business, financial condition, result of operations and cash flows.***

We believe that aluminium alloys are critical to the automotive industry and the automotive component industry and that the automobile industry is a design and technology driven industry, which requires us to continuously invest in developing technologies and undertaking research and development activities and in certain cases we depend on our joint venture partners for procuring competitive technologies. For instance, we were one of the initial suppliers of liquid aluminum over the road to our customers, pursuant to the know-how gained from our joint venture partners, Toyota Tsusho and Nikkei.

If we are unable to successfully manage our relationships with our joint venture partners, our growth and profitability may suffer. Further, dependence on third-party partners could lead to increase in our expenditure for which there may not be any assured returns. Additionally, changes in industry requirements or in competitive technologies may render certain of our products obsolete or less attractive and require us to procure or develop modernized technology for which we may need to, in future, execute strategic arrangements with patent holders of patented technology or other partners. Additionally, such modern equipment may also be expensive and our Company may be restricted in its ability to purchase such modernized technology.

We cannot assure you that we will be able to secure the necessary technological knowledge, which will allow us to develop products and to expand our product portfolio in a suitable manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business, financial condition, results of operations and cash flows may be adversely affected.

**7. *Our inability to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity increases, may have an adverse effect on our business, cash flows, financial condition and results of operations.***

As is typical in the aluminium recycling industry, we maintain a high level of inventory of raw materials, work in progress and finished goods. We plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability. In order to pursue our expansion strategy, we have increased production levels and our inventory of raw materials and finished goods. As of March 31, 2017 and as of the nine month period ended December 31, 2017, our inventory of raw materials and finished goods amounted to ₹ 1,372.03 million and ₹ 2,339.84 million, respectively. Our high level of inventory increases the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. We are significantly dependant on other countries for the import of raw materials and this dependence exposes us to risks of forex fluctuations. Further, we do not have firm commitment long-term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products. As our customers are not obliged to purchase our products or provide us with a binding long term commitment, there can be no assurance that customer demand will match our production levels. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations.

We typically plan capacity increases of our manufacturing facilities on the basis of anticipated demand, which we gauge on the basis of our estimated demand for our products. In the event that we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply which could have an adverse effect on our business, cash flows, financial condition and results of operations.

**8. *We rely on third-party transportation providers for procurement of raw materials and for supply of our products and failure by any of our transportation providers could result in loss in sales.***

We depend on road transportation to deliver our finished products to our customers. Apart from using our own vehicles for transportation, we also use commercial vehicles and third-party transportation providers for procuring our raw materials as well as for distributing our products to our customers. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. Even though some of our manufacturing facilities are closer to our customers' premises, we cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us which may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows.

Additionally, if we lose one or more of our third-party transportation providers, we may not be able to obtain terms as favourable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. Further, our third-party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

**9. *There is outstanding litigation against our Company, our Subsidiaries, our Directors, our Promoters and our Group Companies which if determined adversely, could affect our business and results of operations.***

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



A summary of pending material civil, tax, regulatory and criminal proceedings involving our Company, Promoter, Directors, Subsidiaries and our Group Companies, as identified by our Company pursuant to the materiality policy adopted by our Board is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (in ₹ million)
<b>Proceedings against our Company</b>		
Civil	Nil	-
Criminal	1	NA
Tax	27	573.34
Action by Statutory or Regulatory Authorities	Nil	-
<b>Proceedings by our Company</b>		
Civil	1	19.30
Criminal	4	7.55
<b>Proceedings against our Promoters</b>		
Civil	Nil	-
Criminal	2	NA
Tax	1	0.50
Action by Statutory or Regulatory Authorities	1	NA
<b>Proceedings by our Promoters</b>		
Civil	Nil	-
Criminal	Nil	-
<b>Proceedings against our Directors</b>		
Civil	Nil	-
Criminal	2	NA
Tax	1	0.50
Action by Statutory or Regulatory Authorities	1	NA
<b>Proceedings by our Directors</b>		
Civil	Nil	-
Criminal	Nil	-
<b>Proceedings against our Subsidiaries</b>		
Civil	4	NA
Criminal	1	NA
Tax	7	93.70
Action by Statutory or Regulatory Authorities	Nil	-
<b>Proceedings by our Subsidiaries</b>		
Civil	Nil	-
Criminal	2	NA
<b>Proceedings against our Group Companies</b>		
Civil	3	NA
Criminal	Nil	NA
Tax	16	388.59
Actions by Statutory or Regulatory Authorities	1	NA
<b>Proceedings by our Group Companies</b>		
Civil	Nil	NA
Criminal	2	39.66

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. We cannot assure you that in matters where orders have been passed in our favour, there will be no appeal from the other parties involved or whether we can ascertain the liabilities involved in such matters at this stage unless we are impleaded in such proceedings. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities or reduce our cash and bank balance. For further details, see section “*Outstanding Litigation and Material Developments*” on page 447.

10. *Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.*

Pricing pressure from Tier 1 companies and OEMs is characteristic of the industry in which we operate. Virtually all automakers pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the future. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition.

In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected.

***11. The geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business, results of operations and financial conditions.***

We presently operate through our seven manufacturing facilities which are present in some of the key auto clusters in north India and south India. Four of our facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities in north India are situated at Bhiwadi and Haridwar, in the states of Rajasthan and Uttarakhand, respectively. We have only one manufacturing facility in the southern part of our country, operated through our Subsidiary CMRT, an entity in which our Company holds 90% of the paid-up equity shares. Given the fact that a significant number of customers are located in the key auto clusters in north India, we are required to set up our manufacturing facilities in proximity to them. Due to the geographic concentration of our manufacturing operations primarily in north India, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, financial condition and results of operations.

Further, our manufacturing facilities situated at Bhiwadi, Gurugram and Manesar currently are on a lease basis with our Gurugram and Bhiwadi Unit primarily dedicated to a single customer. While there are no firm commitments to any particular customer, on account of such proximity, these facilities may not have the flexibility to supply our products to other customers and accordingly, may be completely dependent on one particular customer. Further, disruptions, damage or destruction of those facilities may severely affect our ability to meet our customers' demand and the loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial condition.

***12. We may incur substantial relocation costs on account of our business or customers' requirement to locate our manufacturing facilities to be in proximity to our customers' facilities or if expansion plans are restricted by availability of land or other location issues.***

Our facilities are located in proximity to our customers in order to minimize both our customers' and our own costs as well as enabling us to maintain regular supplies. If any of our customers were to relocate or if their facilities which are close to our facilities, are closed due to any reasons, it would impact our ability to remain competitive. For instance, while we may be chosen as a key supplier for products by a customer, in the event our customer relocates their manufacturing facility to another state, our ability to supply products to them would be adversely affected and we may not be able to supply our products to them in a timely manner, or at all. Additionally, our competitors could build a facility that is closer to our customers' facilities which may provide them with a geographic advantage. Any of these events might require us to move closer to our customers, build new facilities or shift production between our current facilities to meet our customers' needs, resulting in additional cost and expense and having a materially adverse effect on our business, financial operations and cash flows.

***13. We have undertaken and may continue to undertake joint ventures in the future, which may be difficult to integrate and manage. Further, our joint venture partners may not perform their obligations satisfactorily and their interests may differ from ours, which could have a material adverse effect on our business and results of operations.***

We believe that our efforts at diversifying into new products and into new domestic or international markets can be facilitated by entering into joint venture agreements or strategic alliances with partners whose operations,

resources, capabilities and strategies are complementary to our Company. Our joint venture partners either support our expansion in various geographical areas or typically possess significant technology which are licensed to us. For instance, we have entered into two joint venture agreements to establish CMRN, our Subsidiary in which our Company holds 74% stake, to set up a manufacturing facility in Bawal, Haryana; and CMRT, our Subsidiary in which our Company holds 90% stake, to set up a manufacturing facility in Chennai, Tamil Nadu pursuant to which, we have gained access to improved know-how and technology for successfully supplying liquid metal over the road to our customers. For details, see “*History and Corporate Structure*” on page 145. We also intend to set up a manufacturing facility in Gujarat through our entity, CMRN, to cater to the increasing demand of our customers and to increase our existing customer base in the western part of the country. There can be no assurance that the integration of such joint ventures, whether already existing, or which we may enter in the future, will be successful or that the expected strategic benefits of any such action will be realised.

In order to achieve global growth and recognition, we will have to maintain our joint ventures and take initiatives to enter into similar arrangements. However, there can be no assurance that we will be able to identify suitable joint venture partners on commercially reasonable terms or be able to raise sufficient funds to finance such strategies for growth. While our relationships with our joint venture partners have been good so far, we may face unforeseen difficulties as a result of any disagreements with them in the future on various matters including the conduct of business, control and operations specifically in cases where joint ventures are located in a different jurisdiction. We cannot assure you that we will be able to resolve such disputes in a manner that will be in our best interests. If we are unable to successfully manage relationships with our joint venture partners, our growth and profitability may suffer. Our reliance on joint venture partners may increase in sectors where we have limited experience. Any of these factors could adversely affect our business, financial condition, results of operations, cash flows and business prospects.

Additionally, there can be no assurance that we will be able to consummate our joint ventures in the future on terms acceptable to us, or at all. Further there is no assurance that our products manufactured through joint ventures and alliances will generate the expected levels of interest amongst our customers or that our new ventures will generate return on investment at expected levels or at all.

***14. Delay in schedule of our expansion into new territories may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.***

Our Company may face risks relating to the commissioning of any new manufacturing facilities in newer territories or failure to expand our manufacturing capacity to meet future demand for our products on account of reasons including but not limited to changes in the general economic and financial conditions in India. We may also encounter various setbacks such as adverse weather conditions, delay in receiving required government approvals, construction defects and delivery failures by suppliers, unexpected delays in obtaining permits and authorizations, or legal actions brought by third parties. Further as and when we commission our planned manufacturing facilities, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new manufacturing facilities as well as in realigning our management and other resources and managing our consequent growth.

***15. Our operations involve melting of aluminium scrap in the furnaces as well as transportation of high temperature liquid metal to our customers. These activities can be extremely dangerous and any accident, including any spill-over of high temperature liquid metal could cause serious injury to people or property and in certain circumstances, even death, during transit and this may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our operations requires individuals to work under potentially dangerous circumstances, with flammable materials as a significant portion of our business involves melting of aluminium in the hot refining section, in addition to also requiring transportation of high temperature liquid metal over the road to our customers. High temperature liquid metal is extremely inflammable and any accident while handling such liquid metal may seriously hurt or even kill employees or other persons, and cause damage to our properties and the properties of others. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;

- mechanical failures and other operational problems;
- inclement weather and natural disasters;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

Although we employ safety procedures during the melting of aluminium in the furnaces and during transportation of liquid metal and maintain what we believe to be adequate insurance, there is a risk that any hazard including an accident during transit may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of civil or criminal liabilities. Further, our operations include usage of radiators which may be susceptible to explosions in the event any radiator with water trapped inside is charged into the furnace. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation, in India filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and lawsuits, individually or in the aggregate, may be resolved against us inflicting negative publicity and consequently, our business, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected 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, reputation, financial condition, results of operations, cash flows and prospects.

**16. *We face competition in our product line, 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 cash flows.***

We believe that we operate in a highly competitive industry. As Tier 1 companies and OEMs are increasingly affected by innovation and cost-cutting pressures from competitors, they seek price reductions from their suppliers. In particular, vehicle manufacturers at times expect lower prices from suppliers for the same, and in some cases even enhanced, functionality, as well as a consistently high product quality. If we are unable to offset price reductions through improved operating efficiencies and reduced expenditures, price reductions could negatively impact our profit margins and cash flows. Additionally, some of our Company's competitors in the industry may have greater engineering, manufacturing, financial capabilities, or superior resources. Our customers evaluate their suppliers based on, among other things, manufacturing capabilities, speed, quality, engineering services, flexibility, and costs. Further, while we believe that we have a diversified supplier base, some of our Company's competitors may have better access to raw material suppliers compared to us which may enable them to obtain metal scrap at favorable rates. Therefore, we are exposed to risks of our competitors having better resources than us.

As per the CRISIL Report, aluminium recycling industry is highly fragmented and unorganised with most companies being run as family enterprises/proprietorships having regional presence and this leads to high degree of competitiveness which results in low bargaining power of majority of the recyclers. Our competitors may pursue an aggressive pricing policy and offer conditions to customers that are more favourable than those that we offer. Increased consolidation among our competitors or between our competitors and any of our customers could allow competitors to further benefit from economies of scale, offer more comprehensive product portfolios and increase the size of their serviceable markets. This could require us to accept considerable reductions in our profit margins and the loss of market share due to price pressure. Furthermore, competitors may gain control over or influence our suppliers or customers by shareholdings in such companies, which could adversely affect our supplier relationships.

Competition in the aluminium alloy manufacturing industry is likely to further intensify in view of the continuing globalization and consolidation in the automotive industry. Competition is especially likely to increase in the automotive categories as each market participant intensifies its efforts to retain its position in established markets while also developing a presence in emerging markets. The factors affecting competition include product quality and features, innovation and product development time, ability to control costs, pricing, reliability, fuel economy, customer service and financing terms. Some of our competitors may have certain advantages, including greater

financial resources, technology, research and development capability, marketing resources, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Further, with an increase in focus on the manufacture of recycled aluminium, we may also face competition from new entrants as well as the current manufacturers of primary aluminium. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and cash flows.

Our Company's customers may opt to transact with our competitors instead of our Company or if our Company fails to develop and provide the technology and skills required by its customers at a rate comparable to its competitors. Even though our Company may have the requisite technology and skills, there can be no assurance that we will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers in the future. There can also be no assurance that we will be able to retain a compelling advantage over our competitors which could adversely affect our business, results of operations, financial conditions and cash flows.

We operate in an industry with low capital intensity, accordingly, there is an underlying threat of new entrants into the market. Such new entrants may capture our market share which may have an adverse impact on our business, financial conditions and cash flows.

***17. Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our business.***

Changes in consumer preferences, regulatory or industry trends or requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through research and development or through technical assistance agreements or otherwise, that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. Further, in the event the trend in the automotive industry shifts from usage of aluminium castings to other material, especially in electric vehicles, our customers may lose their interest in us and this may result in a loss of business for us which may have a material adverse impact on our business, financial condition, results of operations and cash flows.

To compete effectively in the automotive components industry, we must be able to develop, upgrade and manufacture new products to meet our customers' demand in a timely manner. In order to do so, we need to identify and understand the key market trends and address our customers' evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of products to meet the demands of our customers. We cannot assure you, however, that we will be able to install and commission the equipment needed to manufacture products for our customers on time. Our failure to successfully and timely develop and manufacture new products in order to cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

***18. Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.***

As on April 30, 2018 we had total outstanding borrowings of ₹ 3,224.46 million. 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 some of our loans are at variable interest rates; 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. 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:

- effecting any changes in capital structure;
- any change in management or control of our Company;
- formulating any scheme of amalgamation or reconstruction;
- invest by way of share capital in or lend or advance funds to or place deposits with any other concern; or
- undertake guarantee obligations on behalf of our Company.

For further details of the restrictive covenants under financing documents of our Company, see “*Financial Indebtedness*” on page 444. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

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, default, 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 financial condition and results of operations.

**19. *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. We are exposed to interest rate risk in respect of contracts 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. We may further be unable to pass any increase in interest expense to our existing customers. Any such increase in interest expense may have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, if we decide to enter into agreements to hedge our interest rate risk, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us fully against our interest rate risk.

**20. *Customer consolidation and takeovers could adversely impact our financial position, results of operations and cash flows.***

Customers in our markets, including the customers in the automotive sector, may consolidate and grow in a manner that could affect their relationship with us. For instance, if one of our customers is acquired by any other company, its management may get reshuffled which may affect our relationship with such customer, and we may not be able to retain any favourable terms that we agreed to in the past and may even lose that acquired customer’s business. Additionally, if our customers become larger and more concentrated, they could exert pressure in pricing and payment terms on all suppliers, including us. Accordingly, our ability to maintain or raise prices in the future may be limited, including during periods of increase in the price of raw materials and other costs. If we are forced to reduce prices or maintain prices during periods of increased costs, or if we lose customers because of their acquisition, pricing or other methods of competition, our financial position, results of operations and cash flows may be adversely affected.

**21. *Our continued operations are critical to our business and any disruption to power or fuel sources or any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations, financial condition and cash flows.***

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 authorities. Our customers rely significantly on the timely delivery of our products, especially liquid aluminium, and our ability to provide an uninterrupted and timely supply of our products is critical to our business.

In addition, certain of our customers can impose significant penalties on us for any delayed delivery of products or a defect in the products delivered. For instance, in the past, we have faced disruptions as a result of stoppage of work which resulted in loss of production as some of the workers at the Chennai Unit went on strike in January 2017 alleging that CMRT had failed to recognise their labour union and accordingly, had violated the provisions of the Industrial Disputes Act, 1947. For details, see “*History and Corporate Structure*” and “*Outstanding Litigation and Material Developments*” on pages 145 and 447.

We also require substantial electricity for our manufacturing facilities most of which is sourced from state electricity boards. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of electricity purchased from alternative sources could be significantly higher, thereby adversely affecting our cost of production and profitability. The cost of supplies may otherwise increase in the future. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

Additionally, we require substantial fuel for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For Fiscal 2015, Fiscal 2016, Fiscal 2017 and for the nine month period ended December 31, 2017, our power and fuel costs was ₹ 591.90 million, ₹ 411.06 million, ₹ 467.56 million and ₹ 433.21 million, constituting 2.83%, 1.75%, 1.93% and 2.38%, respectively, of our total revenue. Any change in government policies regarding the usage of fuel for running furnaces could also have an adverse impact on our business. For instance, pursuant to a notification dated March 6, 2017 issued by the Environmental Pollution (Prevention and Control) Authority (the “EPCA”) which came into effect from November 1, 2017, to ban the usage of furnace oil, we were forced to pursue other alternatives such as bio diesel, gas and low sulphur high stock fuel, which are comparatively expensive.

In addition, we source most of our water requirements from state utilities, but there is no assurance that we will be able to obtain a sufficient supply of water from sources in these areas, some of which are prone to drought. Therefore, we are subject to price risk and if supply or access is not available for any reason, our production may be disrupted and profitability could be adversely affected. If energy or water costs were to rise, or if electricity or water supplies or supply arrangements were disrupted, our profitability could decline.

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.

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

Our Company requires working capital to finance the purchase of materials and for the manufacture and other related work before payment is received from customers. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the aluminium recycling industry. Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

**23. *Conflicts of interest may arise out of common business objects shared by our Company and some of our Group Companies. Additionally, our Promoters may have in the past been associated with other companies which may have similar names and may be in the same line of business as that of our Company.***

Certain of our Group Companies namely Sanjivani, GMRPL, GMIPL, Toyota Tsusho, Nikkei and Toyota Industries may potentially compete with our Company. The interests of our Promoters may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

There can be no assurance that our Promoters or our Group Companies or members of the 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. Additionally, two of our Promoters, Gauri Shankar Agarwala and Mohan Agarwal, have in the past been directors on the board of other companies with similar names which are in the same line of business as that of our Company. Any such conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**24. *We own a large range of equipment and have a large number of contract labour, resulting in increased costs to our Company. In the event we are not able to generate adequate cash flows it may have a material adverse impact on our operations.***

We operate in a labour intensive industry and accordingly, are required to employ labour as well contractual labour. This results in a significant labour as well as contractual labour costs for our Company. As on March 31, 2018, we have 440 permanent employees and 2,204 contractual workmen. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. Additionally, we own a large range of sophisticated and modern equipment, resulting in increased fixed costs to our Company. As of March 31, 2018, we have a range of equipment including de-coaters, shredders, regenerative burners, baghouses, pump furnaces, rotary sieves, gravimetric separation and eddy current separators. We have neither historically used nor currently use second-hand equipment to undertake our business. Accordingly, the cost of maintaining and keeping such capital equipment in proper working condition constitutes a significant portion of our operating expenses. In the event, we are unable to generate or maintain adequate revenues by successfully bidding for projects or recover payments from our customers in a timely manner or at all, it could have a material adverse effect on our financial condition and operations.

**25. *We are subject to stringent labour laws or other industry standards and any strike, labour unrest, 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 are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on March 31, 2018, we have 440 permanent employees and 2,204 contractual workmen. 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. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force such as strikes, labour unrests, work stoppages or increased wage demands, which may adversely affect our business. For instance, in the past, we have faced disruptions as a result of stoppage of work which resulted in loss of production as some of the workers at the Chennai Unit went on strike in January 2017 alleging that CMRT had failed to recognise their trade union and accordingly, had violated the provisions of the Industrial Disputes Act, 1947. For details, see “History and Corporate Structure” and “Outstanding Litigation and Material Developments” on pages 145 and 447.

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, 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.

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



Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax, labor and municipal authorities in India. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. Some of these approvals, licenses and permits have expired and we have either made or are in the process of making applications for renewing these approvals. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, 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. For details of our material approvals for which applications are pending before relevant authorities, see “*Government and Other Approvals*” on page 457.

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Draft Red Herring Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

For details of our material permits and approvals, see “*Government and Other Approvals*” on page 457.

**27. *Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.***

Presently, we primarily manufacture and supply aluminium alloy ingots and liquid aluminium alloys to our customers. However, we may diversify and expand our business operations from manufacturing and supplying aluminium alloys to other products. Venturing into a new product line may require methods of operations and marketing and financial strategies different from those currently employed in our Company, therefore we cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, delays in product development and possible failure of products to operate properly. In the absence of sufficient customers for our products, there can be no assurance that we will be successful in selling the products manufactured and at the locations of our manufacturing facilities. This may result in lower capacity utilization and adversely affect our business, financial condition and result of operations. As a result, we may not be able to achieve projected or satisfactory levels of sales, profits and/or return on investment on our new products since there is no assurance that we will receive orders from customers as they may not be willing to shift their sourcing from existing manufacturers to us. Further, we cannot assure you that the transition of our manufacturing facilities and resources to fulfil production under new product programs will not impact production rates or other operational efficiency measures at our facilities.

We further cannot assure you that we will succeed in effectively implementing new technology in manufacturing new products or that we will recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows.

**28. *If we are unable to sustain or manage our growth, our business, results of operations and financial condition may be materially adversely affected.***

We have experienced growth in the past five years. For Fiscal 2017, we had a total revenue, net of excise duty on sale of goods, of ₹ 21,968.04 million, as compared to ₹ 12,599.03 million for the Fiscal 2013. Our operations have grown significantly over the last few Fiscals. We have expanded our operations from our first manufacturing facility in Tatarpur, Haryana in 2006 to seven manufacturing facilities, including two manufacturing facilities established in partnership with Toyota Tsusho and Nikkei as on the date. We may not be able to sustain our rates

of growth, due to a variety of reasons including a decline in the demand for recycled aluminium alloys, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

We are embarking on a growth strategy which involves deepening, diversifying and expanding our customer base by expanding our focus on supply of liquid metal, focusing on geographic expansion and focusing on operational efficiencies to improve returns. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- 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;
- acquiring new customers and increasing or maintaining contribution from existing customer;
- 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.

If we are unable to increase our production capacity, we may not be able to successfully execute our growth strategy.

Further, as we scale-up and diversify our products, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition.

***29. We are dependent on a number of key management personnel and senior management personnel and the loss of such persons, or our inability to attract and retain key management personnel and senior management personnel in the future, could adversely affect our business, growth prospects, results of operations and cash flows.***

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our Promoters, our Directors, senior management and other key personnel, including skilled project management personnel. Our management and technical personnel are supported by other skilled workers who benefit from regular in-house training initiatives and they are also supported by external consultants with significant industry experience who are not permanent employees of our Company. The loss of any of our Promoters, our Directors, senior management, external consultants or other key management personnel, or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, growth prospects, results of operations and cash flows.

We face competition to recruit and retain skilled and professionally qualified staff. Due to the limited availability skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. The risk could be heightened to the extent we invest in business of geographical regions in which we have limited experience. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons.

***30. We may be subject to counter party credit risk from our operating activities and our financing activities.***

We are subject to the risk that our counterparties may not meet their obligations under various financial instruments. Our credit risk exposure relates to our financing activities, including deposits with banks and financial institutions, as well as to operating activities, primarily from trade receivables. We typically have credit terms ranging from 10 to 90 days with our customers. As of December 31, 2017, and March 31, 2017, 2016 and 2015, our trade receivables was ₹ 2,221.17 million, ₹ 1,918.65 million, ₹ 1,788.31 million and ₹ 1,877.40 million, respectively. Accordingly, in the event that our counterparties do not meet their financial obligations, we may face financial loss and this may thereby adversely affect our business, results of operations and cash flows.

**31. *One of the members of our Promoter Group and our Group Company, Suvridhi Financial Services Limited (“SFSL”) was included in the list of ‘High Risk NBFCs’ issued by the Financial Intelligence Unit – India (“FIU”) as on January 31, 2018. Additionally, SFSL, currently listed on The Calcutta Stock Exchange Limited, is in the process of being de-listed and is presently not in compliance with the minimum public shareholding requirements.***

The FIU issued a list of ‘High Risk NBFCs’, as on January 31, 2018, which included entities that were non-compliant with the Prevention of Money Laundering Act, 2002, as amended (the “PMLA”) and the related rules. These companies, including one of the members of our Promoter Group and a Group Company, SFSL were named in this list since they had not registered a principal officer and consequently not notified this to the RBI. SFSL thereupon, filed letters with the RBI and the FIU each dated March 7, 2018 stating that the PMLA and the relevant rules were not applicable to it since it had never accepted any deposit from the public or carried out a suspicious transaction or any cash transaction where forged or counterfeit notes were used or any transaction over the value of ₹ 1.00 million. Thereafter, our Company, in compliance with the PMLA, appointed the principal officer and registered the information with FIU. A letter dated April 12, 2018 was also issued to the RBI confirming such registration. While SFSL had taken steps to remove its name from the list of ‘High Risk NBFCs’, we cannot assure you that its name will not appear in this list or in any other such list in the future.

Additionally, SFSL, presently listed on The Calcutta Stock Exchange Limited, had a public shareholding of 24.62%, as of December 31, 2017, against a minimum public shareholding requirement of 25%, as required under the SCRR and the SEBI Listing Regulations. Further, SFSL, upon receiving consent from majority of its shareholders, has filed an application dated May 11, 2018 for in-principle approval for delisting its equity shares in terms of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended (“SEBI Delisting Regulations”). We may be exposed to a higher risk of reputational damage or financial loss due to SFSL’s exposure to regulatory requirements and sanctions, penalties or fines resulting from failure to comply with any new, newly applied or existing laws or regulations. Further, in the case of actual or alleged non-compliance with regulatory requirements, we or SFSL or our Promoters or members of our Promoter Group could be subject to investigations and administrative or judicial proceedings that may result in penalties. Any such investigation or proceeding, whether successful or unsuccessful, could result in additional costs and diversions of resources, which could negatively affect our reputation and have a material adverse effect on our business and cash flows, financial condition and results of operations.

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

We have implemented various information technology (“IT”) solutions and/or enterprise resource planning (“ERP”) solutions to cover key areas of our operations, procurement, dispatch, accounting and other business functions. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

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 analyze work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product

life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

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

Our Company has covered itself and its Subsidiaries against certain risks. Our key insurance policies consist of stock-turnover policy, fire policy, group personal accident insurance policy, money insurance policy, contractors' plant and machinery insurance policy and burglary insurance policy, among others. 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 and financial performance could be adversely affected.

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

Like many of our competitors, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences and through our agreements to avail technical know-how, which grant us access to new technologies. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of certain key employees, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with a number of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as our products are not patented, and thus we may have no recourse against copies of our products that enter the market subsequent to such leakages. In the event the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the aluminium recycling sector could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

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

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

**36. *The land and premises for our Registered Office, Corporate Office and certain of our manufacturing facilities are taken on lease by us including from our Promoters. If we or our business partners are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

Some of the premises on which we operate, are not currently owned by us. Our Corporate Office, located at 802 - 803, SSR Corporate Park, 8th Floor, 13/6, Sector 27 B, Delhi - Mathura Road, Faridabad 121 003, Haryana, India is situated on premises which has been leased out to us pursuant to a lease agreement dated January 1, 2018

entered into with SSR Infra Buildtech Private Limited valid until December 31, 2022. Our Registered Office is also occupied by us on a leasehold basis pursuant to two lease agreements, each dated April 1, 2018, entered into with our Promoter Pratibha Agarwal for occupying two separate portions of the ground floor and one lease agreement, also dated April 1, 2018, entered into with our Promoter Kalawati Agarwal for occupying the first floor of our Registered Office.

Our Chennai Unit, operated through our Subsidiary CMRT, is situated on premises occupied on a long term lease basis, for a period of 99 years, pursuant to a lease agreement dated December 27, 2012, entered into between CMRT and State Industries Promotion Corporation of Tamil Nadu Limited (“SIPCOT”). Similarly, our Haridwar Unit is situated on premises occupied by us on a long term lease basis, for a period of 90 years, pursuant to a lease agreement dated May 5, 2007, entered into between our Company and State Industrial Development Corporation of Uttaranchal Limited (“SIDCUL”). Additionally, our manufacturing facility located at Tatarpur and Bawal (operated through CMRN) are situated on land owned by us and the manufacturing facilities located at Bhiwadi, Gurugram and Manesar, are situated on premises currently held by us on a leasehold basis. For details, see “Our Business” on page 119.

Upon expiration of the relevant agreement for each such premise, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. Further, some of our lease deeds for our properties may not be registered and some of our lease deeds may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**37. *Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the Objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.***

We intend to use the Net Proceeds for the purposes described under “Objects of the Offer” on page 88. The Objects of the Offer include prepayment or repayment of all or a portion of certain borrowings availed by our Company amounting to approximately ₹ 1,250.00 million and general corporate purposes. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Furthermore, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution to be passed by the shareholders of our Company and 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 in accordance with the Articles of Association of our Company and as may otherwise be prescribed by SEBI.

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. If actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, and general corporate purposes. If estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

Further, our management will have significant flexibility in temporarily investing the Net Proceeds and 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.

**38. *Product returns and costs incurred because of customer rejections could harm our business, results of operations and financial condition.***

In the event that we and our suppliers are not able to meet the regulatory quality standards, or strict quality standards imposed by our customers, which are applicable to us in our manufacturing processes, it could have an adverse effect on our business, financial condition, and results of operations. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse

effect on our business, reputation, sales, results of operations and customer relationships. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

While we undertake sample based testing of our products, the possibility of future product failures could cause our Company to incur substantial expense to replace defective products, provide refunds or resolve disputes with our customers through litigation, arbitration or other means. There can be no assurance that we will be able to recover any losses incurred as a result of the defects in the products sold by us. This may result in monetary losses and have a material adverse effect on our business, financial condition and results of operations.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

**40. *Certain of our Directors, Promoters and members of our Promoter Group have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.***

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 Promoters, Directors and members of the Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. 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 Kalawati Agarwal and Pratibha Agarwal for use as our Registered Office. The aggregate amount of rent paid, as per Ind AS 24, to Kalawati Agarwal and Pratibha Agarwal, as on March 31, 2017 and December 31, 2017 was ₹ 2.28 million and ₹ 1.71 million, respectively.

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 "Related Party Transactions" on page 186.

**41. *The Proforma Financial Statements included in this Draft Red Herring Prospectus may not accurately reflect our future results of operations, financial position and cash flows.***

This Draft Red Herring Prospectus contains Proforma Financial Statements of our Company as at and for the year ended March 31, 2017 and for the nine month period ended December 31, 2017, to give a pro forma effect to our divestment of our shareholding in Sanjivani with effect from May 30, 2018.

In addition, the Proforma Financial Statements have not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or U.S. GAAP. Further, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation for the Proforma Financial Statements. Therefore, Proforma Financial Statements should not be relied upon as if it has been prepared in accordance with those standards and practices. As this Proforma Financial Statements is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of our actual financial position, cash flows and results of operations that would have occurred had the divestment of Sanjivani by the Company been effected on the dates they are assumed to have been effected.

If the various assumptions underlying the preparation of the Proforma Financial Statements do not occur, our actual financial results could be materially different from those indicated in the Proforma Financial Statements.

**42. *Our Promoter and Promoter Group will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us.***

After the completion of the Offer, our Promoter and Promoter Group will hold approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoter and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, 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 may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter and Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoter, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

**43. *We might infringe upon the intellectual property rights of others, which could harm our competitive position.***

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

**44. *We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.***

As of April 30, 2018, our long term and short term borrowings amounted to ₹ 478.06 million and ₹ 2,746.40 million, respectively. Some of our borrowings are drawn on facilities that are repayable on demand. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or default or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

**45. *This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research.***

This Draft Red Herring Prospectus includes information that is derived from an industry report dated May 2018 titled "Assessment of Indian Aluminium Recycling Industry" ("**CRISIL Report**"), prepared by CRISIL Research, a research house, pursuant to an engagement with the Company. We commissioned this report for the purpose of confirming our understanding of the aluminium recycling industry in India. Neither we, nor any of the Book Running Lead Managers, nor any other person connected with the Offer has verified the information in the commissioned report. CRISIL Research 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 CRISIL Research's assumptions

are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. CRISIL Research has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the CRISIL 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.

**46. We have entered into a number of related party transactions and may continue to enter into such transactions under Ind AS 24, in the future, and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.**

We have, in the past, entered into related party transactions with various parties aggregating to ₹ 31.85 million, ₹ 1,510.76 million, ₹ 3,114.30 million and ₹ 502.14 million for the nine month period ended December 31, 2017, and for the Fiscals 2017, 2016 and 2015, respectively, in the ordinary course of our business. For further details, see “Related Party Transactions” beginning on page 186.

There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations. Further, the transactions with our related parties may potentially involve conflicts of interest. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

**47. We have experienced negative cash flows from operating, investing and financing activities in previous periods and cannot assure you that we will not experience negative cash flows in future periods. Negative cash flows may adversely affect our financial condition, results of operations and prospects.**

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated.

(₹ in million)				
Particulars	Nine month period ended December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash flow from/(used in) operating activities	(391.44)	611.29	1,254.71	95.24
Net cash used in investing activities	(67.03)	(47.48)	(107.41)	(398.27)
Net cash generated from / (used in) financing activities	330.42	(639.04)	(964.66)	349.47
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(128.05)</b>	<b>(75.23)</b>	<b>182.65</b>	<b>46.44</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>

We may in the future experience negative cash flows as well. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. This situation may have an adverse effect on our cash flows, business, future financial performance and results of operations.

For more information, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 188 and 416, respectively.

**48. Certain of our Subsidiaries as well as some of our Group Companies have incurred losses during recent Fiscals.**

Some of our Subsidiaries and Group Companies have incurred losses in the recent Fiscals. Provided below are details of these losses suffered in Fiscals 2017, 2016 and 2015.

(₹ in million, unless otherwise stated)			
Name of the Subsidiary / Group Company	Fiscal 2017	Fiscal 2016	Fiscal 2015
<b>Subsidiaries</b>			
CMRT	20.45	(71.70)	(68.27)
CTPL*	(0.01)	(0.02)	-



Group Companies			
GMRPL	(0.13)	(0.12)	(0.12)
Toyota Tsusho <sup>#</sup>	1,025	(437)	675
Tsusho India	246.04	(810.40)	(311.28)

\* CTPIL was incorporated on December 12, 2015 as a private limited company, accordingly it did not have any financial statements for Fiscal 2015.

<sup>#</sup> ₹ in million, except per share data

We cannot assure you that our Subsidiaries and Group Companies will not make losses in future.

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

As of December 31, 2017, the following contingent liabilities, identified under the Ind AS 37, have not been provided for in our Restated Consolidated Financial Statements:

(₹ in million)	
Particulars	As of December 31, 2017
Under Customs Act, 1962	261.62
Demands raised under Central Excise Act, 1944	427.09
Demand raised under Sale Tax Act under appeal for various years	106.21
Demand raised under Income Tax Act, 1961	67.50
Other miscellaneous demands	0.46

\* Please note that this includes litigation involving Sanjivani, which ceased to be our subsidiary pursuant to divestment of 51.00% stake by our Company with effect from May 30, 2018.

In the event, that any of these contingent liabilities or a material 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 XXXIX – Notes to Restated Ind AS Consolidated Statement of Leases – B. Contingent Liabilities” on page 379.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. 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. We cannot assure you that we will be able to pay dividends at any point in the future. For details of dividend paid by our Company in the past, see “Dividend Policy” on page 187.

**51. Our Promoters have provided personal guarantees for a significant portion of our borrowings to secure certain of our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company’s borrowings.**

Our Promoters, Gauri Shankar Agarwala and Mohan Agarwal have provided personal guarantees amounting to ₹ 3,326.20 million and ₹ 3,556.20 million, respectively, in relation to the loan facilities availed by our Company. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company’s borrowings. For details, see “History and Corporate Structure” and “Financial Indebtedness” on pages 145 and 444, respectively.

**52. Some of our corporate records are not traceable.**

Certain corporate records and regulatory filings made by us, including those in relation to: (i) certain share transfer forms, in relation transactions entered by our Promoters; and (ii) a board resolution recording the reason for changes in our Registered Office, are not traceable.

These include, requisite filings required to be made with regulatory authorities for the following transfers and acquisitions:

(i) transfer of 110,000 Equity Shares by Gauri Shankar Agarwala to Kalawati Agarwal on August 18, 2003; (ii) acquisition of 60,000 Equity Shares by Gauri Shankar Agarwala from Database Computers Private Limited on August 18, 2005; (iii) transfer of 155,000 Equity Shares by Mohan Agarwal to Pratibha Agarwal on August 18, 2003; (iv) acquisition of 229,500 Equity Shares by Mohan Agarwal from Madhu Khaitan on December 27, 2006; (v) acquisitions made by Pratibha Agarwal of 40,000 Equity Shares from Ramdev Enterprises, 18,000 from Sheetal Enterprises Limited, 30,000 Equity Shares from Arham Commercial Corporation, 18,000 Equity Shares from Jalco Financial Services Limited, 12,000 Equity Shares from Vinayak Enterprises, 10,000 Equity Shares from Abhijit Trading Company, 14,000 Equity Shares from PMB Capital, each on May 10, 2007; and (v) acquisition made by Pratibha Agarwal of 10,000 Equity Shares from Navkar Enterprises on May 14, 2011.

We and our Promoters have been unable to trace a significant number of share-transfer forms pertaining to transfer of Equity Shares by and to our Promoters since our incorporation. In addition to conducting an extensive search of our records, we have also filed a complaint dated April 14, 2018 with the station house officer, Sainik Farm, New Delhi in relation to the loss of such documents. However, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our statutory registers of members and share transfer, annual reports and audited financial statements for such matters. We cannot assure you that the abovementioned form filings and resolutions will be available in the future.

***53. We have made a bonus issue of Equity Shares during the last one year and our Company had issued certain CCPS of which 114,222 CCPS have been converted prior to filing of the Draft Red Herring Prospectus and the remaining CCPS will be converted prior to the filing of the Red Herring Prospectus at a price that is below the Offer Price.***

We have in the last 12 months prior to filing this Draft Red Herring Prospectus, made a bonus issue of 18,370,125 Equity Shares by capitalizing the securities premium account. This being a bonus issue, the Equity Shares were issued to shareholders without any consideration. Further, of the 1,530,844 CCPS held by Global Scrap Processors Limited, 114,222 CCPS have also been converted to 456,888 Equity Shares, in the ratio of four Equity Shares for every CCPS held, prior to the filing of the Draft Red Herring Prospectus. After such conversion of 114,222 CCPS, there will be 1,416,622 CCPS outstanding, which will be converted into Equity Shares in the same ratio of four Equity Shares for every CCPS held, prior to the filing of the Red Herring Prospectus with the RoC. For further details regarding such issuances and conversion, see “*Capital Structure*” on page 72. Such allotments of Equity Shares have been or shall be at a price which is lower than the Offer Price.

***54. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, including our Promoters.***

This Offer is being undertaken as a Fresh Issue of Equity Shares as well as an Offer for Sale of Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders, namely, Gauri Shankar Agarwala, Mohan Agarwal, Kalawati Agarwal, Pratibha Agarwal, Sanjivani Non Ferrous Trading Private Limited, Grand Metal Recycling Private Limited, Gauri Shankar Agarwala HUF, Mohan Agarwal HUF and Global Scrap Processors Limited, and our Company will not receive any proceeds from the Offer for Sale. For further details, see “*The Offer*”, “*Capital Structure*” and “*Objects of the Offer*” on pages 62, 72 and 88, respectively.

***55. Our Haridwar Unit was availing certain tax benefits in the past and currently, our Bhiwadi Unit is availing subsidy which is available for a specified period of time. However, we cannot assure you that we will be able to avail such benefits in the future.***

Our Haridwar Unit was availing tax benefits under the I.T. Act, provided to us by the Government of India, and such benefits expired in Assessment Year 2018-2019. Further, currently, we are entitled to benefit from subsidy provided by the Government of Rajasthan in relation to some of the manufacturing activities undertaken by us at our Bhiwadi Unit. However, we may not be able to avail any tax benefit or subsidy from the Government in the future, in which case, our profitability may get impacted negatively. Further, when these benefits expire or

terminate, our tax expense is likely to increase thereby impacting our profitability. Our profitability will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our profitability may be further affected if we are subject to any dispute with the regulatory authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits.

Further, with the introduction of the GST, the tax benefits available to us under the Central Excise Act, 1944, Rajasthan Value Added Tax Act, 2003 and the Central Sales Tax Act, 1956, may stand withdrawn in part or full, or the modus operandi to receive such benefits may change. At this stage, we are unable to quantify the impact that such changes may have on our business, results of operations and profitability, due to limited information available in the public domain.

**56. *Some of our Promoters have limited experience in aluminium recycling industry.***

Some of our Promoters have limited experience in the aluminium recycling business. The automotive aluminum recycling industry involves various risks, including regulatory risks and environmental risks. Any failure to manage the ongoing as well as future demand could delay the process of manufacturing and supplying our products which effectively could delay our ability to meet our customers' requirements and consequently, our ability to generate revenue, which could have an adverse impact on our business and revenue.

**57. *Certain documents in relation to educational qualifications of one of our Promoters, Pratibha Agarwal are not available and reliance has been placed on declarations and affidavits furnished by her for details of her profile included in this Draft Red Herring Prospectus.***

One of our Promoters, Pratibha Agarwal has been unable to trace copies of documents pertaining to her educational qualifications. Accordingly, reliance has been placed on declaration, undertaking and affidavit furnished by her to us and the Book Running Lead Managers to disclose details of her educational qualifications in this Draft Red Herring Prospectus. We have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that our Promoter Pratibha Agarwal will be able to trace the relevant documents pertaining to her qualifications in the future, or at all.

**External Risk Factors**

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**59. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

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, cash flows or financial condition.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

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

- the Companies Act 2013 contains significant changes to Indian company law, including in relation to issuance of capital, related party transactions, corporate governance, audits, shareholder class actions and restrictions on the number of layers of subsidiaries. Among other things, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.
- the Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.
- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national goods and services tax ("GST") regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also

require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

**61. *Financial instability in other countries may cause increased volatility in Indian financial markets***

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. For instance, China recently imposed trade sanctions on the United States, including major import tariffs on certain of its products, including but not limited to, aluminium based metal scrap. Such trade sanctions or special tariffs also have an impact on the global pricing of metal scraps and therefore has an impact on our operations as well.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets.

These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

**62. *If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

**63. *Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us.***

We are a limited liability public company incorporated under the laws of India. Majority of our directors and key managerial personnel named in this Draft Red Herring Prospectus are residents of India. Further, our assets are primarily located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons, or to enforce judgments obtained against us or such persons in jurisdictions outside India. The recognition and enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Code of Civil Procedure, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any such amount recovered.

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

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

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

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

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

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

**67. *You will not be able to immediately sell any of the Equity Shares you purchase in this Offer 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 Offer within six Working Days of the Bid/Offer Closing Date, or such other timeline as may be prescribed by SEBI. Consequently, the Equity Shares you purchase in the Offer may not be credited to your book or dematerialized account with the Depository Participants until six Working Days after the Bid/Offer



Closing Date or such other timeline as may be prescribed by 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.

**68. *Investors 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 long-term capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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 may be partially exempt or exempt from taxation in India in cases where such exemption 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.

**69. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or financial policy or a decrease in India's foreign exchange reserves. According to the RBI, India's total foreign exchange reserves were over U.S. \$ 415,053.80 million as on May 18, 2018. India's foreign exchange reserves have grown consistently in the past. (Source: Reserve Bank of India) However, any decline in foreign exchange reserves could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares and could result in a downgrade of India's debt ratings.

Any adverse revisions to India's credit ratings for domestic and international debt by 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 adversely affect our business and future financial performance and our ability to obtain financing to fund our growth, as well as the trading price of the Equity Shares.

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

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

**71. *Additional issuances of equity may dilute your holdings.***

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 72, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including 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 and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

The Offer Price of the Equity Shares will be determined by our Company and the Investor Selling Shareholder in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "Basis for Offer Price" on page 94 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

**74. *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 Offer, our Promoters and significant shareholders will own, directly and indirectly, majority 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 72, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**Prominent Notes:**

1. Initial public offering of up to [●] Equity Shares for cash at the price of ₹ [●] (including a premium of ₹ [●]) aggregating to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares amounting to ₹ 1,500 million and an Offer of Sale of up to 6,402,650 Equity Shares by the Selling Shareholders amounting to ₹ [●] million.
2. Our net worth as on March 31, 2017 was ₹ 2,742.88 million and ₹ 2,940.95 million, in accordance with our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively. Our net worth as on December 31, 2017 was ₹ 3,261.43 million and ₹ 3,646.93 million, in accordance with our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively. For details, see section "Financial Statements" on page 188.
3. Our net asset value per Equity Share, after considering the impact of issue of the bonus shares was ₹ 105.40 and ₹ 125.93 as at March 31, 2017, as per our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively. Our net asset value per Equity Share, after considering the impact of issue of the bonus shares was ₹ 125.32 and ₹ 156.16 as at December 31, 2017, as per our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively.
4. The average cost of acquisition of Equity Shares by our Promoters as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the Promoter	Average cost of acquisition of Equity Shares (₹)*
1.	Gauri Shankar Agarwala	13.42
2.	Mohan Agarwal	7.61



3.	Kalawati Agarwal	8.79
4.	Pratibha Agarwal	2.39

\* As certified by Kumar Vijay Gupta & Co., Chartered Accountants, pursuant to its certificate dated June 6, 2018.

For details, refer to the section “*Capital Structure*” on page 72.

- The average cost of acquisition of Equity Shares by our Selling Shareholders (other than our Promoters) as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the Selling Shareholder	Average cost of acquisition of Equity Shares (₹)*
1.	Global Scrap Processors Limited	104.87
2.	GMRPL	18.96
3.	Sanjivani	6.18
4.	Gauri Shankar Agarwala HUF	24.09
5.	Mohan Agarwal HUF	1.47

\* As certified by Kumar Vijay Gupta & Co., Chartered Accountants, pursuant to its certificate dated June 6, 2018.

- Except as disclosed under sections “*Our Group Companies*” and “*Related Party Transactions*” on pages 178 and 186 respectively, none of our Group Companies have business interests or other interests in our Company.
- Our Company has entered into related party transactions with our Subsidiaries and Group Companies during the year ended March 31, 2017 and the nine month period ended December 31, 2017. For further details of related party transactions entered into by our Company, refer to the sub-sections titled “*Related Party Transactions*” on page 186.
- The name of our Company was changed to ‘Century Metal Recycling Limited’ upon conversion of our Company into a public limited company pursuant to a special resolution of our Shareholders dated March 19, 2018, and a fresh certificate of incorporation consequent upon conversion from private company to public company issued by the RoC on April 2, 2018 and there was no other change at any time during the last three years immediately preceding the date of filing of Draft Red Herring Prospectus. Subsequent to the change of our name, there has been no variation in the activities being undertaken by our Company. Accordingly, the objects clause of our Memorandum of Association was not required to be altered.
- There have been no financing arrangements whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- Investors may contact any of the Book Running Lead Managers as well as the Registrar to the Offer for any complaint pertaining to the Offer. For details of the Book Running Lead Managers and the Registrar to the Offer, refer to the section “*General Information*” on page 64.

All grievances, in relation to the ASBA process, 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, ASBA Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder 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.

## SECTION III: INTRODUCTION

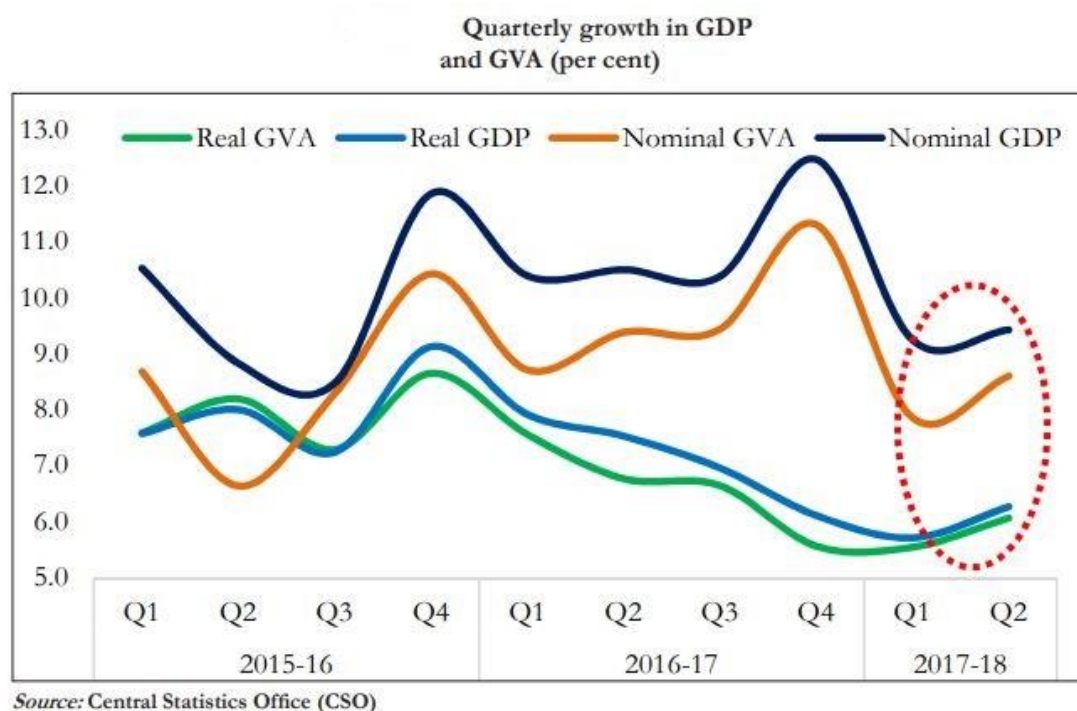
### SUMMARY OF INDUSTRY

The information in this section should be read in conjunction with the sections “*Risk Factors*”, “*Industry Overview*”, “*Financial Statements*”, “*Our Business*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 99, 188, 119 and 416, respectively.

### OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

Fiscal 2018 was marked with strong macro-economic fundamentals. However, the growth of GDP moderated in 2017-18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which include: implementation of the goods and service tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to ₹ 500.00 million; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. (Source: *Macro Economic Framework Statement 2018, Ministry of Finance*)

From a low of 5.5% in Fiscal 2013, growth in GDP steadily improved for three years and peaked in Fiscal 2016, particularly in fourth quarter (Q4) when it printed 9.1% (GVA growth also peaked in Q4 of Fiscal 2016). However, growth started slowing down from first quarter (Q1) of Fiscal 2017. GDP and GVA growth slowed to 6.1 % and 5.6% respectively in Q4 of Fiscal 2017. GDP growth further declined to 5.7% in Q1 of Fiscal 2018. However, the second quarter (Q2) of Fiscal 2018 witnessed reversal of declining trend of GDP growth, with growth increasing to 6.3%. The nominal GDP and GVA growth also picked up to 9.4% and 8.6%, respectively in Q2 of Fiscal 2018. (Source: *Economic Survey 2017-2018, Ministry of Finance*)



The reforms measure undertaken in Fiscal 2018 can be expected to strengthen and reinforce growth momentum. The prospects for Indian economy for the year Fiscal 2019 need to be assessed in the light of emerging global and domestic developments. Indications are that global economic growth is expected to pick up slightly. This can be expected to provide further boost to India’s exports, which have already shown acceleration in the current financial year. On the other hand, the increasing global prices of oil and other key commodities may exert an upward pressure on the value of imports. There are signs of revival of investment activity in the economy and the recent

pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 11.5% in the financial year 2019. (Source: *Macro Economic Framework Statement 2018, Ministry of Finance*)

## INDIAN ALUMINIUM DEMAND REVIEW

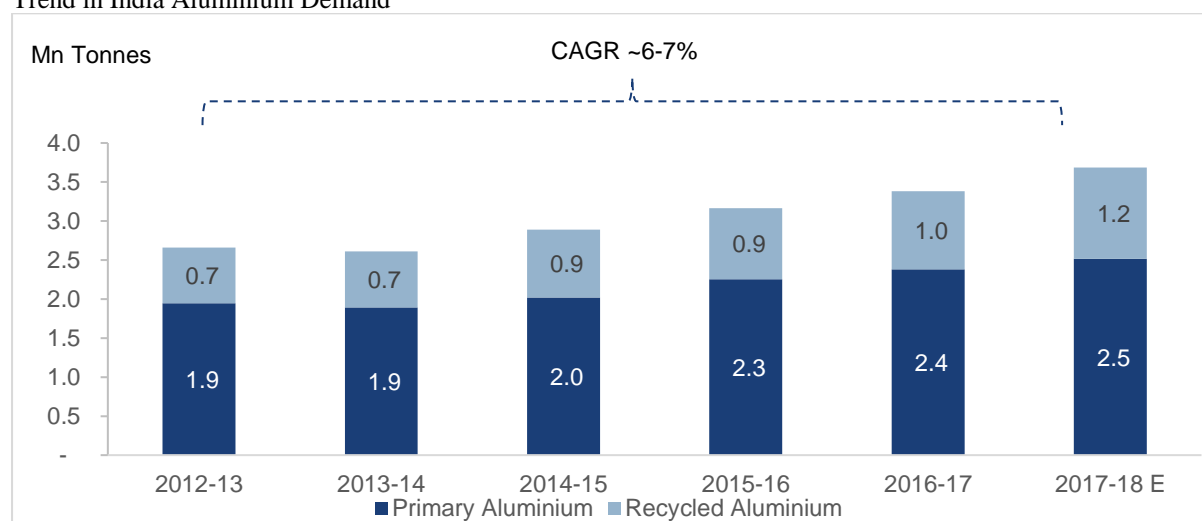
### Overall aluminium sector demand review - Fiscal 2013 – Fiscal 2018

*Aluminium demand posted a healthy 6-7% growth during the past five-year period*

The Indian aluminium (including primary and recycled) industry is estimated to have grown at about 6-7% CAGR during Fiscal 2013 - 2018 period and reached approximately 3.7 million tonnes by March 2018.

Of the total volumes growth, the demand for primary aluminium is estimated to have grown by approximately 5% y-o-y and reached approximately 2.5 million tonnes by end of the Fiscal 2018. This growth was largely attributed to a modest growth in key end-use segment - power (cables and transmission lines). On the other hand, the demand for recycled aluminium is estimated to have grown at a relatively faster pace of approximately 10% CAGR during Fiscal 2013-2018 period reaching approximately 1.2 million tonnes by the end of Fiscal 2018, primarily led by healthy demand scenario for non-ferrous castings from auto sector. As a result, the share of recycled aluminium has gradually risen to an estimated approximately 32% in Fiscal 2018 from approximately 28% in Fiscal 2013. The growth in overall aluminium demand was also supported by replacement of other non-ferrous or ferrous metals with aluminium in key end-use industries in the domestic market owing to better technical properties such as optimum strength to weight ratio, low melting point, corrosion resistance, better electrical and thermal conductivity, better recyclability etc., amongst others.

#### Trend in India Aluminium Demand



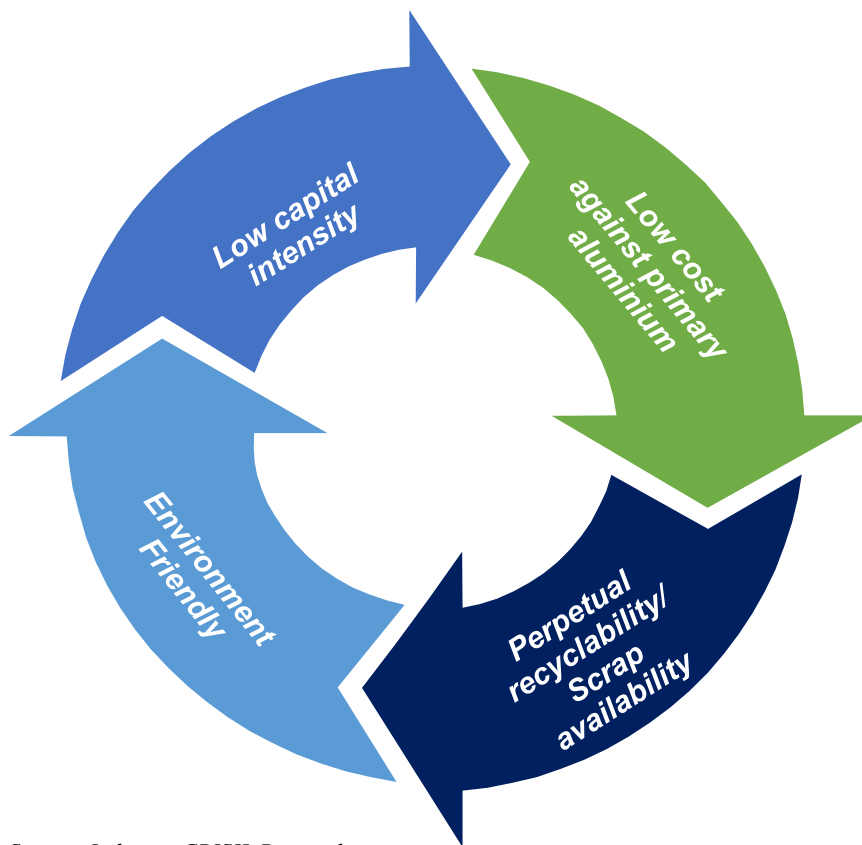
Note: E – estimated

Source: Industry, CRISIL Research

### Key advantages offered by recycled aluminium

The sharp growth in usage of recycled aluminium is primarily attributed to its better cost economics (compared to primary aluminium), better technical properties (compared to other metals), environmental benefits, and low capital intensity.

Key advantages of recycled aluminium



Source: Industry, CRISIL Research

- Low capital intensity

Manufacturing of aluminium through primary route involves bauxite mining, bauxite refining, smelting of alumina etc. These activities are capital as well as energy intensive. Setting up of a green-field refinery and smelter of a minimum economic size (typically one million tonne of refinery and approximately 0.5 million tonne for smelter) with a captive power plant require an investment of around ₹ 220.00-240.00 billion.

In comparison, manufacturing of aluminium through recycled route involves sorting and segregating scrap, melting of scrap, re-alloying, and casting into ingots. This process is carried out at a cost considerably lower than the primary aluminium owing to lower energy requirement. Moreover, setting up of a fully mechanised recycling unit of 1 million tonne capacity would cost typically between approximately ₹ 15.00-20.00 billion of investment.

- Low cost of production compared to primary aluminium

One of the major advantages of manufacturing aluminium through recycling is low production cost as against manufacturing through primary route. This low cost is attributed to significantly less energy requirements for manufacturing through recycling route than primary route. Also, pre-existence of required alloyed elements in aluminium scrap further reduces alloying costs.

- Perpetual recyclability and scrap availability

The inherent quality of aluminium is not affected by recycling and remains high irrespective of the number of recycling cycles. The other key characteristics that drives the demand for recycled aluminium is its perpetual recyclability, with an advantage of pre-existence of desired properties (as it is pre-alloyed specific to the end-use requirement, when in scrap form).

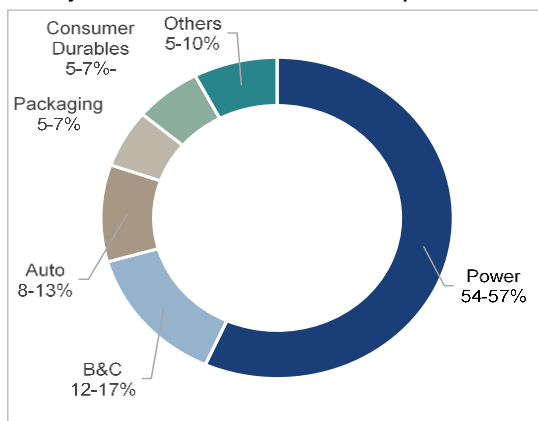
Additionally, aluminium scrap is estimated to be available in abundance globally, which further results in increased recycling of aluminium for key end-use products.

- Environment friendly

Manufacturing of primary aluminium consumes significant natural resources. As per industry estimates, every 1 tonne of aluminium manufactured through primary route consumes 4-6 tonnes of bauxite, 1-1.5 tonne of limestone, 20-22 cubic meter of water, and approximately 14,000 Kwh of power. In comparison, manufacturing of 1 tonne aluminium from the recycled route consumes aluminium scrap as a key raw material (saving natural resources) and consumes only 5-7% of the total power required for primary aluminium, thereby saving natural resources and being energy efficient. Furthermore, as per the Bureau of International Recycling (BIR), each tonne of aluminium ingots manufactured through primary route emits approximately 3,830 kg of CO<sub>2</sub>, as compared to emission of approximately 290 kg of CO<sub>2</sub> manufactured through scrap recycling.

### India Aluminium demand segmentation

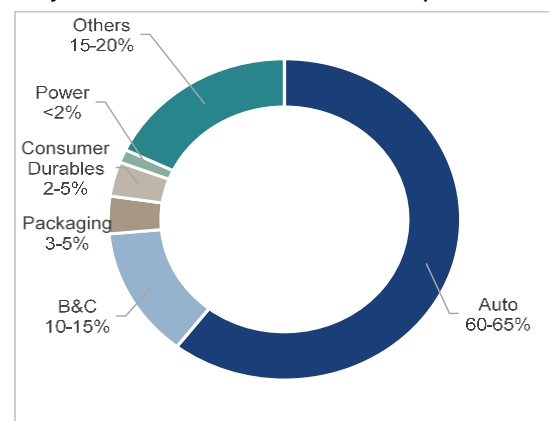
Primary aluminium end-use demand breakup – FY18E



Note: E- Estimated

Source: Industry, CRISIL Research

Recycled aluminium end-use demand breakup – FY18E



Note: E- Estimated

Source: Industry, CRISIL Research

### Key end-use segments and rationale for usage of aluminium:

- Power

Aluminium is primarily used in overhead conductors in transmission lines; transformer coils, bus bars and foil wraps for power cables etc. This usage is primarily driven by favorable strength to weight ratio, better conductivity and lower costs as compared to copper. Owing to this, of the aggregate aluminium volumes (both primary and recycled), power segment is estimated to have accounted for a lion's share of about 38-40% in Fiscal 2018.

Demand from power segment accounted for 54-57% of the total primary aluminium volumes, while it accounted for a negligible share in the recycled aluminium volumes (about 1%) on account of conductivity losses.

- Automotive

Within the automotive segment, aluminium is majorly used in cars, two-wheelers and commercial vehicles (both light, medium and heavy). The key components with aluminium penetration within the automotive space include engine components, gearbox, brake casings, radiators, cylinder heads, transmission housing, wheels, window frames and panels etc. Aluminium lowers the weight of the vehicles resulting into reducing fuel consumption, and thereby lower CO<sub>2</sub> emissions. Of the total casting requirement, recycled aluminium occupies a major share on account of better molecular properties owing to pre-existence of desired elements in the scrap.

Majority of the players in the automotive component space, however, prefer usage of recycled aluminium owing to better cost dynamics and inherent alloy properties, resulting into the segment accounting for 60-65% share in recycled aluminium volumes, as against approximately 10% share in the primary aluminium volumes.

- *Building and construction (“B&C”)*

Aluminium finds its application in the segment for making of windows, door frames, roofing, partitions, false ceilings and other building hardware. Aluminium’s light weight lowers the load on any construction, while the metal’s strength lends durability. Its resistance to corrosion protects structures, especially those being built in regions with extreme weather conditions.

The share of B&C volumes in total primary and recycled aluminium accounted for approximately 14% and approximately 13% respectively. Typically, premium real estate players rely more on primary aluminium for their requirement.

- *Consumer durables*

Aluminium is used in appliances such as refrigerators, washing machine, air conditioners etc. The penetration is high in appliances such as air conditioners and washing machines. Low weight, thermal efficiency, corrosion resistance, and non-reactivity to chemicals favour the use of aluminium in this segment.

The demand from consumer durables in primary and recycled aluminium volumes is estimated to have accounted for approximately 6% and approximately 3% respectively in Fiscal 2018.

- *Packaging*

Most common applications within the segment include personal care products, pharmaceuticals, processed foods (soft drinks cans), containers and bottle caps. Laminated aluminium pouches (aseptic or retort pouches) are used to pack food products such as biscuits, confectionery, butter, oil, and beverages.

The demand from packaging segment in primary and recycled aluminium volumes is estimated to have accounted for approximately 6% and approximately 4% respectively in Fiscal 2018. In India, the penetration of aluminium in packaging segment is lower than global averages owing to high costs.

## SUMMARY OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements and also the sections “Risk Factors” on page 17, “Financial Statements” on page 188 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 416 for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our financial year ends on March 31 of each year, so all references to a particular financial year/ Fiscal are to the twelve months period ended March 31 of that year.*

*Unless otherwise indicated or the context requires otherwise, financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.*

We are the largest recycler in the aluminum recycling industry in India according to the CRISIL Report. We are focused on processing aluminium based metal scrap to manufacture aluminium alloys and supply them in liquid form and in the form of solid ingots. Our Company has, from Fiscal 2013 to 2018, grown at an effective CAGR of 13% on the basis of sales volume, compared to an aggregate recycled aluminium growth of approximately 10% CAGR, and currently occupies an estimated market share of approximately 40 - 45% in north India and approximately 15 - 20% in south India, resulting in an overall market share of approximately 21% in the automotive segment of recycled aluminium industry in India (*Source: CRISIL Report*). Since Fiscal 2013 until Fiscal 2018, our annual installed capacity has grown by approximately 70%, from 128,000 MT to 218,000 MT, making us the fastest growing producer of aluminium alloys in India. We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. Over the years, we have endeavored to set industry standards in relation to the technology employed and the quality of products supplied to our customers such as the supply of liquid aluminium.

We primarily cater to the automotive manufacturing sector in India, specifically in the passenger vehicle, two-wheeler and die casting segments. We supply our products to OEMs and Tier 1 companies in the automotive manufacturing sector in India. Tier 1 companies are companies that directly supply to OEMs. Some of our OEM customers include Maruti Suzuki India Limited, Honda Cars India Limited, Honda Motorcycle and Scooter India Private Limited and India Yamaha Motor Private Limited, while our customers, who are Tier 1 companies include Rockman Industries Private Limited, Sunbeam Auto Private Limited, Rico Auto Industries Limited, Minda Industries Limited, Minda Corporation Limited, Jaya Hind Montupet Private Limited, Nemak Aluminium Casting India Private Limited, Toyota Industries Engine India Private Limited, Ahresty India Private Limited and ASK Automotive Private Limited, among others.

We operate through our seven manufacturing facilities, with a combined annual installed capacity of 218,000 MT, as on March 31, 2018, the largest in the domestic automotive aluminum recycling industry, as per the CRISIL Report. Our installed capacities accounted for approximately 16% of the aggregate estimated installed recycling capacities domestically, as of March 2018, as per the CRISIL Report. These manufacturing facilities are present in some of the key auto clusters in north India and south India. Four of these facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities are situated at Haridwar, Bhiwadi and Chennai, in the states of Uttarakhand, Rajasthan and Tamil Nadu, respectively. Our manufacturing facilities are strategically located close to our customers’ manufacturing facilities allowing us to optimise our deliveries, reduce lead times and facilitate greater interaction with our customers. These manufacturing facilities employ modern equipment such as shredders, regenerative burners, baghouses, pump furnaces and de-coaters, rotary sieves, gravimetric separation and eddy current separators, among others.

We were one of the initial suppliers of liquid aluminium and occupied approximately 70% of the market share in liquid aluminium space in Fiscal 2018, as per the CRISIL Report. We started supplying liquid aluminium, through our manufacturing facilities situated adjacent to the premises of our customers in September 2008, and through road transport in November 2013. There is an increasing trend of supplying liquid aluminium to the customers owing to several operational advantages to the suppliers as well as the customers and in order to keep abreast with this trend, we have been focusing on supplying liquid aluminium to our customers. For instance, in addition to saving inventory handling costs, supply of liquid aluminium eliminates the re-melting process thereby minimising oxidation losses and reducing power and fuel consumption for our customers. Our strategically located manufacturing facilities allow us to supply liquid aluminium to our customers, in side by side facilities and, to customers located up to a distance of 20 - 25 kilometers, over the road, using specialized containers and specially

designed trucks, thereby enabling us to not only adhere to their round the clock delivery schedules but also develop interdependence between us and our customers. We have, in the past, achieved up to 99 deliveries of liquid aluminium in a single day to one of our customers.

In order to strengthen our business operations in India, we entered into joint venture agreements with two Japanese aluminium alloy manufacturers, Nikkei MC Aluminium Co, Limited (“**Nikkei**”) and Toyota Tsusho Corporation (“**Toyota Tsusho**”) to leverage the combination of their technology with our own existing know-how and manufacturing capabilities for providing innovative and superior quality products to our customers. Accordingly, in the year 2012, we set up our Subsidiaries, CMRN in Bawal, Haryana, where we presently hold 74% stake, and CMRT in Chennai, Tamil Nadu, where we presently hold 90% stake, in partnership with Nikkei and Toyota Tsusho, respectively. Pursuant to these arrangements, we started supplying liquid aluminium through road transport to our customers in November, 2013. We also intend to capitalise on our strong relationships with our joint venture partners by foraying into geographies where we have potential for further penetration. For instance, we are in the process of commissioning a new manufacturing facility in Gujarat through CMRN. Additionally, we are in the process of establishing a new facility in Chennai through CMRT to cater to the increasing demand of liquid aluminium in southern India.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Draft Red Herring Prospectus, certain of our manufacturing facilities have accreditations such as the TS 16949:2009 for quality management systems, ISO 14001:2015 for environmental management systems and OHSAS 18001:2007 for occupational health and safety management systems. Further, our Company has recently received the ‘Best Recycler Award’ from Mtlx in 2017. We have also received various awards from our customers over the years such as the ‘Best Debutant Supplier Award’, ‘Best Supplier Award’, ‘Best Supplier - Business Support Award’ and the ‘Best Delivery Performance Award’, among others.

In addition to the manufacture of liquid aluminium alloys and aluminium alloy ingots, our Company is also engaged in the business of segregation and sale of metal scrap as a part of our manufacturing process (with a specific focus on stainless steel, brass, copper and zinc). Our Company generated a revenue of ₹ 2,476.51 million and ₹ 2,012.21 million from sale of scrap, segregated scrap, ash and residue sales which accounted for 10.25% and 11.08% of our revenue from operations (gross) for the year ended March 31, 2017 and the nine month period ended December 31, 2017, respectively. One of our major customers to whom we sell segregated scrap is Jindal Stainless (Hisar) Limited.

Our Promoter Gauri Shankar Agarwala who is our Chairman and Executive Director, has substantial experience in the field of law, finance and taxation, among others. Our Promoter Mohan Agarwal, who is our Managing Director, has over 24 years of experience in the aluminum recycling industry. With their industry, operational, and financial experience, our Promoters have been at the core of the expansion of our operations from the first manufacturing facility of our Company in Tatarpur, Haryana in 2006 to seven operational manufacturing facilities, as on date, in addition to two new facilities, one under construction and the other in the planning stage, as on the date of this Draft Red Herring Prospectus.

In the nine month period ended December 31, 2017 and in Fiscals 2017, 2016 and 2015, our total revenue was ₹ 18,197.77 million, ₹ 24,229.16 million, ₹ 23,447.63 million and ₹ 20,942.33 million, respectively. Our restated profit after tax for the nine month period ended December 31, 2017 and in Fiscals 2017, was ₹ 705.49 million and ₹ 711.10 million, respectively. We have been able to increase our total revenue from Fiscal 2013 to Fiscal 2017 at a CAGR of 15.33%. Our EBITDA has grown to ₹ 1,504.03 million for Fiscal 2017 from ₹ 620.00 million for Fiscal 2013. Further, in the nine month period ended December 31, 2017 and in the Fiscal ended 2017, our return of capital employed was 32.63% and 30.11%, respectively. As on March 31, 2017 and December 31, 2017, our Debt/Equity Ratio was 0.88 and 0.85, respectively, as compared to 1.36 in Fiscal 2016 and 1.75 in Fiscal 2015. Additionally, for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016 and 2015, our Company’s total volume of sale of liquid aluminium alloys and aluminium alloy ingots, combined was 109,212.06 MT, 130,754.91 MT, 126,087.44 MT and 109,598.50 MT, respectively.

### **Our Competitive Strengths**

- Largest recycler of aluminium alloys;
- Long-standing relationships with our customers;
- Leading supplier of liquid aluminium;
- Strategic alliances through joint ventures;



- Strong and diversified supplier base for sourcing raw materials;
- Our manufacturing facilities, technology, quality processes and engineering expertise; and
- Experienced and qualified management team backed by good governance standards.

#### **Our Business Strategies**

- Expansion of supply of liquid aluminium;
- Focus on deepening and strengthening our relationships with our existing customers as well as catering to new customers;
- Geographic expansion;
- Expansion of our supplier base;
- Leverage growth prospects for recycled aluminium and movement of market from unorganized to organized players; and
- Ensure efficiency and reduced cost through integrating operations, process optimization and increased use of information technology.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from our Restated Unconsolidated Financial Statements for and as at the nine month period ended December 31, 2017 and Fiscals 2017, 2016, 2015, 2014 and 2013 and our Restated Consolidated Financial Statements for and as at the nine month period ended December 31, 2017 and Fiscals 2017, 2016, 2015, 2014 and 2013.

These Restated Financial Statements have been prepared and presented in accordance with Ind AS, the Companies Act, 2013 and the guidance notes issued by ICAI and have been restated in accordance with the SEBI ICDR Regulations. These Restated Financial Statements have been presented in the section “*Financial Statements*” on page 188. The summary financial statements presented below should be read in conjunction with our Restated Financial Statements, the notes and annexures thereto and the section “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 416.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

## Restated Ind AS Unconsolidated Information of Balance Sheet

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	760.37	802.39	898.10	926.34	898.24	733.14
Capital work-in-progress	15.29	7.79	11.10	27.87	39.82	9.07
Investment Property	27.91	-	-	-	-	-
Intangible assets	18.15	20.92	14.89	3.91	5.01	3.40
Intangible assets under development	-	-	7.97	17.50	11.75	-
<b>Financial Assets</b>						
(i) Investments in Subsidiaries, Associate and etc.	842.31	834.04	653.16	668.03	358.88	263.60
(i) Loans	10.57	11.18	11.07	12.80	12.17	6.34
(iii) Other financial assets	14.06	31.82	28.60	19.03	19.40	23.93
Deferred tax assets (net)	-	-	43.61	39.47	22.95	18.88
Non-Current Tax Asset	1.98	34.57	30.06	28.08	4.10	-
Other non current assets	29.94	33.54	26.07	20.16	9.10	15.99
<b>Current Assets</b>						
Inventories	1,808.52	863.94	461.03	953.49	931.75	802.28
<b>Financial Assets</b>						
(i) Trade receivables	1,333.24	995.58	1,079.45	1,117.10	1,726.57	1,229.41
(ii) Cash and cash equivalents	32.36	146.44	165.62	31.00	5.11	2.63
(iii) Bank balances other than (ii) above	82.24	81.08	83.84	96.91	79.55	55.33
(iv) Loans	18.48	9.92	12.20	9.36	32.18	12.31
(v) Other financial assets	153.96	45.38	57.10	8.78	3.03	3.28
Current Tax Asset	24.09	-	-	-	-	2.92
Other current assets	1,304.00	937.38	1,124.79	874.24	674.56	433.93
Assets held for sale	1.16	-	-	-	-	-
<b>Total</b>	<b>6,478.63</b>	<b>4,855.97</b>	<b>4,708.66</b>	<b>4,854.07</b>	<b>4,834.17</b>	<b>3,616.44</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Share capital	76.54	76.54	76.54	76.54	76.54	61.23
<b>Other Equity</b>						
(i) Securities premium	945.68	945.68	945.68	945.68	945.68	366.53
(ii) Retained earnings	2,239.21	1,720.66	1,097.73	1,026.25	978.59	931.07
<b>Net cash flow from /(used in) operating activities</b>						
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	129.38	137.23	110.91	57.86	110.93	174.69
(ii) Other financial liabilities	1.42	1.07	1.22	2.14	1.82	2.12
Other liabilities	23.51	29.24	0.82	2.06	3.35	6.77
Long term provisions	19.99	17.46	11.42	11.60	9.72	7.57
Deferred tax liabilities (net)	47.91	20.21	-	-	-	-
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	2,137.01	1,514.48	1,807.58	2,060.57	2,058.00	1,544.96
(ii) Trade payables						
-Due to micro small and small enterprises	0.70	1.92	0.04	-	-	-
-Dues to others	435.09	184.45	514.06	479.00	427.46	357.11
(iii) Other financial liabilities	69.69	90.42	86.18	117.98	175.13	108.34
Other liabilities	245.64	66.19	36.03	53.81	32.60	37.27
Short term provisions	27.87	24.11	20.45	20.58	14.35	13.88
Current tax liabilities (net)	78.99	26.32	-	-	-	4.90
<b>Total</b>	<b>6,478.63</b>	<b>4,855.97</b>	<b>4,708.66</b>	<b>4,854.07</b>	<b>4,834.17</b>	<b>3,616.44</b>

## Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

## Restated Ind AS Unconsolidated Information of Profit and Loss

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>REVENUE</b>						
Revenue from operations	12,666.74	15,636.01	14,786.20	16,259.93	14,434.84	13,661.31
Other income	87.50	110.77	133.15	60.30	65.31	30.92
<b>Total revenue</b>	<b>12,754.24</b>	<b>15,746.78</b>	<b>14,919.35</b>	<b>16,320.23</b>	<b>14,500.15</b>	<b>13,692.23</b>
<b>EXPENSES</b>						
Cost of raw materials consumed	9,549.10	11,113.66	11,930.03	13,001.97	11,830.43	10,964.23
(Increase)/decrease in inventories of finished goods	(44.67)	(54.14)	176.31	(93.26)	1.71	(73.27)
Purchase of traded goods	1,125.16	1,138.03	188.02	473.91	33.96	29.23
Excise duty on sale of goods	367.56	1,420.44	1,232.23	1,386.72	1,119.65	1,096.55
Employee benefits expenses	286.24	321.20	330.40	333.19	300.07	288.71
Finance costs	139.50	232.57	312.82	321.92	285.27	265.47
Depreciation and amortisation expense	76.95	104.08	104.47	108.86	65.22	54.25
Other expenses	516.76	595.07	530.98	739.13	805.09	735.33
<b>Total expenses</b>	<b>12,016.60</b>	<b>14,870.91</b>	<b>14,805.26</b>	<b>16,272.44</b>	<b>14,441.40</b>	<b>13,360.50</b>
<b>Restated Profit before tax</b>	<b>737.64</b>	<b>875.87</b>	<b>114.09</b>	<b>47.79</b>	<b>58.75</b>	<b>331.73</b>
<b>Tax expenses</b>						
Current tax	223.43	262.22	19.91	17.00	14.54	64.90
MAT Credit entitlement	-	-	(1.06)	(13.18)	(9.39)	(36.94)
Deferred tax charge / (credit)	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
<b>Total tax expense / (income)</b>	<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>
<b>Restated Profit for the period / year</b>	<b>518.06</b>	<b>624.07</b>	<b>98.60</b>	<b>47.43</b>	<b>46.26</b>	<b>295.39</b>
<b>Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss						
Re-measurement gain/(loss) on defined benefit plans	0.76	(1.73)	0.86	0.34	1.89	1.71
Income tax effect	(0.26)	0.60	(0.30)	(0.12)	(0.64)	(0.55)
	<b>0.50</b>	<b>(1.13)</b>	<b>0.56</b>	<b>0.22</b>	<b>1.25</b>	<b>1.16</b>
<b>Total Comprehensive Income for the period / year (Comprising Profit and Other Comprehensive Income for the period/year)</b>	<b>518.56</b>	<b>622.94</b>	<b>99.16</b>	<b>47.66</b>	<b>47.51</b>	<b>296.55</b>
Earnings per equity share: (nominal value per share of Rs 10 each)						
Basic	<b>21.15</b>	<b>25.48</b>	<b>4.03</b>	<b>1.94</b>	<b>1.89</b>	<b>12.09</b>
Diluted	<b>19.91</b>	<b>23.98</b>	<b>3.79</b>	<b>1.82</b>	<b>1.84</b>	<b>12.09</b>

## Restated Ind AS Unconsolidated Information of Cash flow

(Amounts in Rs. millions)

Particulars	For the period ended 31st December 2017	For the year ended 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Cash flow from operating activities</b>						
Profit before tax (as restated)	737.64	875.87	114.09	47.79	58.75	331.73
<b>Adjustments to reconcile profit before tax to net cash flow:</b>						
Depreciation and amortisation	76.95	104.08	104.47	108.86	65.22	54.25
Allowances for bad and doubtful receivable	-	-	-	16.65	6.66	6.65
Interest expense	116.91	204.24	233.87	262.76	231.43	237.04
Interest income	(21.78)	(31.63)	(50.61)	(29.51)	(40.24)	(20.09)
Income on account of financial guarantee	(9.83)	(12.82)	(16.27)	(11.42)	-	-
Amortisation of deferred government grant	(6.54)	(2.55)	(1.29)	(3.42)	(8.88)	(8.43)
Unrealized foreign exchange loss/ (gain)	(6.89)	(17.52)	(11.21)	6.54	(13.85)	3.16
Loss / (Profit) on disposal of property, plant and equipment (net)	(0.14)	10.42	5.13	1.27	1.67	1.06
Premium received on conversion of preference share investment into equity investment	-	-	(12.75)	-	-	-
Profit on sale of non current investments in a subsidiary	-	-	-	(0.01)	-	-
Provision for diminution in the value of investments	-	-	-	-	-	0.00
<b>Operating profit before working capital changes</b>	<b>886.32</b>	<b>1,130.09</b>	<b>365.43</b>	<b>399.51</b>	<b>300.76</b>	<b>605.37</b>
<b>Movement in working capital:</b>						
(Increase) / decrease in trade receivables	(337.60)	83.86	37.65	592.84	(503.84)	(296.00)
(Increase)/decrease in other assets	(365.22)	178.99	(250.92)	(199.68)	(240.62)	(89.60)
(Increase)/decrease in other financial assets	(116.81)	10.29	(34.36)	18.05	(24.80)	0.08
Impact of Ind AS adjustments for earlier years on reserves	(944.58)	(402.90)	492.46	(21.75)	(129.46)	(232.35)
Increase / (decrease) in trade payables	249.34	(327.65)	34.73	51.54	71.11	131.90
Increase/ (decrease) in financial liabilities	(9.23)	(6.02)	27.09	(4.30)	10.97	0.30
Increase/ (decrease) in other liabilities	179.64	19.06	(16.85)	26.01	(1.76)	(10.06)
Increase/ in provisions	7.04	7.98	0.54	8.46	4.51	3.16
<b>Cash generated/(used) from/in operations</b>	<b>(451.10)</b>	<b>693.70</b>	<b>655.77</b>	<b>870.68</b>	<b>(513.13)</b>	<b>112.80</b>
Direct taxes paid (net of refunds)	(130.96)	(165.58)	(21.89)	(40.98)	(20.63)	(86.10)
<b>Net cash flow from /(used in) operating activities</b>	<b>(582.06)</b>	<b>528.12</b>	<b>633.88</b>	<b>829.70</b>	<b>(533.76)</b>	<b>26.70</b>
<b>Cash flow from investing activities</b>						
Purchase of Property, plant & equipment (including CWIP and capital advances) and intangible assets	(37.50)	(20.16)	(73.66)	(155.06)	(250.66)	(113.39)
Proceeds from sale of Property, plant & equipment	1.20	1.80	0.42	6.52	1.72	0.55
Proceeds from fixed deposits having remaining maturity of more than 3 months	66.66	22.07	25.02	1.71	-	-
Investment in fixed deposits having remaining maturity of more than 3 months	(49.03)	(22.54)	(21.73)	(18.51)	(19.68)	(33.95)
Interest received	21.04	35.20	35.76	27.69	39.59	19.73
Purchase of investment property	(27.91)	-	-	-	-	-
Purchase of Investment in Subsidiaries and associate	-	(171.05)	-	(292.88)	(83.86)	(261.70)
Premium received on conversion of preference shares	-	-	12.75	-	-	-
Proceeds from sale of Investment	-	-	-	0.01	-	-
<b>Net cash (used in) investing activities</b>	<b>(25.54)</b>	<b>(154.68)</b>	<b>(21.44)</b>	<b>(430.52)</b>	<b>(312.89)</b>	<b>(388.76)</b>
<b>Cash flow from financing activities</b>						
Proceeds from long term borrowings	1.20	93.91	100.00	9.76	3.72	46.03
(Repayment) of long term borrowings	(28.52)	(10.14)	(108.54)	(123.43)	(51.04)	-
Proceeds from short term borrowings of more than three months	214.29	-	-	-	-	-
Repayment of short term borrowings of more than three months	(94.72)	-	-	-	-	-
Proceeds/(Repayment) of short term borrowings (net)	509.85	(275.58)	(239.48)	(3.98)	526.14	546.55
(Repayment) to Debentures Holders	-	-	-	-	-	(100.00)
Finance Costs	(108.58)	(200.81)	(229.80)	(255.64)	(221.49)	(162.90)
Proceeds from Issue of Share Capital (Including Security Premium)	-	-	-	-	600.00	-
Share issue expenses	-	-	-	-	(8.20)	-
<b>Net cash from / (used in) financing activities</b>	<b>493.52</b>	<b>(392.62)</b>	<b>(477.82)</b>	<b>(373.29)</b>	<b>849.13</b>	<b>329.68</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(114.08)</b>	<b>(19.18)</b>	<b>134.62</b>	<b>25.89</b>	<b>2.48</b>	<b>(32.38)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>	<b>35.01</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>32.36</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	0.58	0.81	2.35	2.35	3.45	1.42
Balance with banks:						
-on current accounts	0.68	145.63	68.04	21.15	1.66	1.21
-on cash credit accounts	31.10	-	95.23	-	-	-
-Deposits with original maturity of less than three months	-	-	-	7.50	-	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement:</b>	<b>32.36</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>

## Restated Ind AS Consolidated Information of Balance Sheet

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	1,879.28	1,921.51	2,017.61	2,008.26	1,407.68	918.15
Capital work-in-progress	15.76	15.44	18.07	53.26	449.84	79.62
Intangible assets	26.71	26.49	16.02	4.74	5.81	3.49
Intangible assets under development	-	4.37	16.40	17.50	11.75	-
Investment in a Associate	2.76	2.65	2.61	2.53	2.42	2.32
<b>Financial Assets</b>						
(i) Investments	16.04	15.58	14.65	15.02	0.03	0.03
(ii) Loans	14.95	15.55	17.44	14.14	14.81	8.08
(iii) Other financial assets	20.61	38.18	36.36	26.64	33.84	23.93
Deferred tax assets (net)	35.38	45.37	112.87	75.04	29.71	18.86
Non-Current Tax Asset	26.44	39.65	36.22	30.45	4.34	-
Other non current assets	32.95	34.24	31.52	49.47	42.15	32.80
<b>Current Assets</b>						
Inventories	2,381.04	1,418.04	1,510.77	1,584.82	1,018.07	802.28
<b>Financial Assets</b>						
(i) Investments	-	-	-	-	-	193.82
(ii) Trade receivables	2,221.17	1,918.65	1,788.31	1,877.40	1,941.63	1,229.46
(iii) Cash and cash equivalents	34.05	162.10	237.33	54.68	7.21	2.71
(iv) Bank balances other than (iii) above	82.73	81.62	90.05	112.02	82.85	57.42
(v) Loans	23.57	16.75	13.51	31.56	7.82	12.31
(vi) Other financial assets	128.67	14.78	6.66	8.57	3.24	3.31
Current Tax Asset	-	-	-	-	-	2.92
Other current assets	1,366.59	901.20	523.08	910.07	722.43	434.02
Assets held for sale	1.16	-	-	-	-	-
<b>Total</b>	<b>8,309.86</b>	<b>6,672.17</b>	<b>6,489.48</b>	<b>6,876.17</b>	<b>5,785.63</b>	<b>3,825.53</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Share capital	69.86	69.86	69.86	69.86	76.54	61.23
<b>Other Equity</b>						
(i) Retained Earnings	2,130.99	1,517.43	873.53	851.14	971.94	931.27
(ii) Capital Reserve	105.14	105.14	108.29	108.29	-	-
(iii) Foreign Currency Translation Rese	-	-	-	-	(0.04)	0.01
(iv) Share Premium	854.23	854.23	854.05	848.16	960.68	376.13
<b>Equity attributable to equity shareholders of the Parent</b>	<b>3,160.22</b>	<b>2,546.66</b>	<b>1,905.73</b>	<b>1,877.45</b>	<b>2,009.12</b>	<b>1,368.64</b>
Non Controlling Interests	486.71	394.29	300.88	243.64	137.96	129.58
<b>Total Equity</b>	<b>3,646.93</b>	<b>2,940.95</b>	<b>2,206.61</b>	<b>2,121.09</b>	<b>2,147.08</b>	<b>1,498.22</b>
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	315.92	419.62	511.83	592.74	599.28	175.56
(ii) Other financial liabilities	1.42	1.07	1.22	2.14	1.82	2.12
Long term provisions	23.35	20.10	13.75	13.09	10.63	7.62
Deferred tax liabilities (net)	77.57	24.93	-	-	-	-
Other liabilities	31.05	36.78	6.93	8.17	7.28	6.77
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>						
(i) Borrowings	2,615.54	2,029.02	2,310.85	2,924.72	2,223.23	1,544.96
(ii) Trade payables						
-Due to micro small and small enterprises	0.70	1.92	0.04	-	-	-
-Dues to others	1,149.72	782.04	1,058.58	830.90	499.56	358.68
(iii) Other financial liabilities	220.32	229.57	264.40	242.86	240.06	173.36
Current tax liabilities (net)	110.11	37.04	-	0.71	-	4.90
Short term provisions	32.83	28.59	23.75	22.62	15.57	13.95
Other liabilities	84.40	120.54	91.52	117.13	41.12	39.39
<b>Total</b>	<b>8,309.86</b>	<b>6,672.17</b>	<b>6,489.48</b>	<b>6,876.17</b>	<b>5,785.63</b>	<b>3,825.53</b>

## Restated Ind AS Consolidated Information of Profit and Loss

(Rs. in millions)						
Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>REVENUE</b>						
Revenue from operations	18,154.62	24,163.51	23,405.08	20,893.46	14,756.79	13,661.31
Other income	43.15	65.65	42.55	48.87	66.99	34.27
<b>Total revenue</b>	<b>18,197.77</b>	<b>24,229.16</b>	<b>23,447.63</b>	<b>20,942.33</b>	<b>14,823.78</b>	<b>13,695.58</b>
<b>EXPENSES</b>						
Cost of raw materials consumed	15,072.76	17,918.49	17,971.12	16,780.58	12,085.99	10,964.23
Purchase of traded goods	27.45	1,185.61	1,315.27	480.45	34.56	29.23
(Increase)/decrease in inventories of finished goods and work in progress	(43.06)	(68.84)	183.86	(148.68)	0.14	(73.27)
Excise duty on sale of goods	564.73	2,261.12	2,071.94	1,833.37	1,158.02	1,096.55
Employee benefits expenses	429.69	483.48	482.47	468.90	313.56	288.71
Depreciation and amortisation expense	131.66	172.29	165.91	144.38	69.99	54.27
Finance costs	207.17	348.31	477.70	447.05	290.99	265.48
Other expenses	786.58	909.94	789.75	989.70	827.57	738.18
<b>Total expenses</b>	<b>17,176.98</b>	<b>23,210.40</b>	<b>23,458.02</b>	<b>20,995.75</b>	<b>14,780.82</b>	<b>13,363.38</b>
<b>Restated Profit/(loss) before share of profit/(loss) of associates and tax</b>	<b>1,020.79</b>	<b>1,018.76</b>	<b>(10.39)</b>	<b>(53.42)</b>	<b>42.96</b>	<b>332.20</b>
Share of profit/(loss) of associates (net of tax)	0.10	0.04	0.08	0.11	0.10	(0.08)
<b>Profit/(loss) before tax</b>	<b>1,020.89</b>	<b>1,018.80</b>	<b>(10.31)</b>	<b>(53.31)</b>	<b>43.06</b>	<b>332.12</b>
<b>Tax expenses</b>						
Current tax	302.08	289.65	22.29	19.38	14.54	64.90
MAT Credit entitlement	(30.50)	(25.32)	(2.47)	(13.82)	(9.39)	(36.94)
Deferred tax charge / (credit)	43.82	43.37	(33.13)	(31.57)	0.60	8.41
<b>Total tax expense/ (credit)</b>	<b>315.40</b>	<b>307.70</b>	<b>(13.31)</b>	<b>(26.01)</b>	<b>5.75</b>	<b>36.37</b>
<b>Restated Profit/(loss) for the year/ period</b>	<b>705.49</b>	<b>711.10</b>	<b>3.00</b>	<b>(27.30)</b>	<b>37.31</b>	<b>295.75</b>
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent periods:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>(0.05)</b>	<b>0.01</b>
Exchange differences on translation of foreign operations	-	-	-	0.04	(0.05)	0.01
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>	<b>0.49</b>	<b>(0.76)</b>	<b>0.58</b>	<b>0.10</b>	<b>1.14</b>	<b>1.16</b>
Re-measurement gains (losses) on defined benefit plans	0.75	(1.20)	0.88	0.16	1.74	1.71
Income tax effect	(0.26)	0.44	(0.30)	(0.06)	(0.60)	(0.55)
<b>Total Comprehensive Income for the year/period (Comprising Profit and Other Comprehensive Income for the year/period)</b>	<b>705.98</b>	<b>710.34</b>	<b>3.58</b>	<b>(27.16)</b>	<b>38.40</b>	<b>296.92</b>
<b>Restated Profit/(loss) for the year/period</b>						
Attributed to:						
Equity holders of the Parent	613.10	644.83	21.85	(8.18)	39.50	295.57
Non Controlling Interest	92.39	66.27	(18.85)	(19.12)	(2.19)	0.18
	<b>705.49</b>	<b>711.10</b>	<b>3.00</b>	<b>(27.30)</b>	<b>37.31</b>	<b>295.75</b>
<b>Other Comprehensive Income</b>						
Attributed to:						
Equity holders of the Parent	0.46	(0.79)	0.54	0.17	1.12	1.17
Non Controlling Interest	0.03	0.03	0.04	(0.02)	(0.03)	-
	<b>0.49</b>	<b>(0.76)</b>	<b>0.58</b>	<b>0.15</b>	<b>1.09</b>	<b>1.17</b>
<b>Total Comprehensive income for the year/period</b>						
Attributed to:						
Equity holders of the Parent	613.56	644.04	22.39	(8.01)	40.62	296.74
Non Controlling Interest	92.42	66.30	(18.81)	(19.15)	(2.22)	0.18
	<b>705.98</b>	<b>710.34</b>	<b>3.58</b>	<b>(27.16)</b>	<b>38.40</b>	<b>296.92</b>
Earnings per equity share after considering the impact of bonus issue: (nominal value per share of Rs 10 each)						
Basic	<b>28.09</b>	<b>29.55</b>	<b>1.00</b>	<b>(0.37)</b>	<b>1.61</b>	<b>12.10</b>
Diluted	<b>26.25</b>	<b>27.61</b>	<b>0.94</b>	<b>(0.34)</b>	<b>1.57</b>	<b>12.10</b>

## Restated Ind AS Consolidated Information of Cash flow

(Rs. in millions)

Particulars	For the period ended 31st December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Cash flow from operating activities</b>						
Profit/(Loss) before tax (as restated)	1,020.79	1,018.76	(10.39)	(53.42)	42.96	332.20
<b>Adjustments to reconcile profit before tax to net cash flows</b>						
Depreciation and amortization expense	131.66	172.29	165.91	144.38	69.99	54.27
Allowances for bad and doubtful receivable	-	-	-	16.65	6.66	6.65
Interest expense	171.31	309.43	349.23	386.33	236.33	237.05
Interest income	(15.26)	(27.60)	(26.93)	(39.11)	(36.50)	(20.17)
Dividend Income	-	-	-	-	(5.37)	(3.27)
Gain on fair valuation of equity shares held as investment	(0.46)	(0.93)	-	-	-	-
Unrealized foreign exchange loss/ (gain)	(6.89)	(5.26)	(11.21)	6.95	(13.31)	3.16
Amortisation of government grant	(6.54)	(2.55)	(1.29)	(3.42)	(8.88)	(8.43)
Loss on disposal of Property, plant and equipment & intangibles (Net)	2.07	10.80	5.17	1.19	1.67	1.06
Profit on sale of current investments	-	-	-	-	(0.06)	-
Profit on sale of non current investments	-	-	(0.00)	(0.01)	-	-
<b>Operating profit before working capital changes</b>	<b>1,296.68</b>	<b>1,474.94</b>	<b>470.49</b>	<b>459.54</b>	<b>293.49</b>	<b>602.52</b>
<b>Movements in working capital:</b>						
(Increase) / Decrease in trade receivables	(302.51)	(130.28)	89.05	47.64	(718.86)	(296.00)
(Increase) / Decrease in loans	(6.22)	(1.35)	14.76	(23.07)	(2.24)	-
(Increase) / Decrease in other financial assets	(108.17)	(8.43)	1.68	(4.20)	0.95	(1.65)
(Increase) / Decrease in other assets	(464.01)	(386.54)	386.64	(187.65)	(288.40)	(89.69)
(Increase)/ Decrease in inventories	(963.00)	92.72	74.05	(566.75)	(215.79)	(232.35)
(Decrease) / Increase in financial liabilities	(14.83)	(3.22)	40.96	(6.82)	14.28	4.49
(Decrease) / Increase in trade payables	366.44	(274.65)	227.34	331.34	140.85	131.76
(Decrease) / Increase in other liabilities	(37.32)	19.33	(25.57)	80.33	12.55	(8.36)
Increase in provisions	8.24	9.99	2.67	9.67	6.37	5.00
<b>Cash generated/(used) from/in operations</b>	<b>(224.70)</b>	<b>792.51</b>	<b>1,282.07</b>	<b>140.03</b>	<b>(756.80)</b>	<b>115.72</b>
Direct taxes paid (net of refunds)	(166.74)	(181.22)	(27.36)	(44.79)	(20.85)	(86.11)
<b>Net cash flow from /(used in) operating activities</b>	<b>(391.44)</b>	<b>611.29</b>	<b>1,254.71</b>	<b>95.24</b>	<b>(777.65)</b>	<b>29.61</b>
<b>Cash flow from investing activities</b>						
Purchase of Property, plant & equipment (including CWIP and capital advances) and intangible assets	(95.62)	(82.19)	(148.29)	(405.28)	(952.20)	(325.14)
Proceeds from sale of Property, plant & equipment	2.59	0.21	1.09	6.78	2.72	0.55
Proceeds from fixed deposits having remaining maturity of more than 3 months	66.66	22.07	31.07	1.71	-	-
Investment in fixed deposits having remaining maturity of more than 3 months	(49.17)	(15.47)	(19.02)	(23.48)	(35.34)	(36.03)
Sale of Current Investment	-	-	-	-	-	-
Sale of Non Current Investment	-	-	0.00	0.01	-	-
Sale of Mutual fund investments	-	-	-	-	193.84	-
Purchase of Mutual fund investments	-	-	-	-	-	(193.82)
Interest received	8.51	27.90	27.37	37.77	35.62	19.78
Dividend received	-	-	-	-	5.37	3.27
Purchase of non current investment	(0.00)	0.00	0.37	(14.99)	(0.00)	(0.55)
Investment in Equity shares of a company (later on become subsidiary of the Company)	-	-	-	(0.91)	-	-
Disposal of investment	-	-	-	0.12	-	-
<b>Net cash (used in) investing activities</b>	<b>(67.03)</b>	<b>(47.48)</b>	<b>(107.41)</b>	<b>(398.27)</b>	<b>(749.99)</b>	<b>(531.94)</b>
<b>Cash flow from financing activities</b>						
Proceeds from Share application money pending allotment	-	-	78.00	-	-	-
Proceeds from long term borrowings	197.54	93.91	100.00	168.17	509.39	47.34
(Repayment) of long term borrowings	(301.01)	(188.52)	(194.61)	(137.88)	(53.57)	-
Adjustment	-	-	-	-	-	-
Proceeds from issue of shares by subsidiary to Non controlling interest	-	1.21	-	0.96	8.70	-
Proceeds from security premium on issue of shares by subsidiary to Non controlling interest	-	22.79	-	-	7.30	139.00
Proceeds from short term borrowings of more than three months	214.29	-	-	-	-	-
Repayment of short term borrowings of more than three months	(94.72)	-	-	-	-	-
Proceeds/(Repayment) of short term borrowings	473.84	(264.31)	(600.36)	694.53	692.13	546.54
(Repayment) to Debentures Holders	-	-	-	-	-	(100.00)
Interest paid	(159.52)	(304.12)	(347.68)	(376.31)	(223.61)	(162.91)
Proceeds from Issue of Share Capital (Including Security Premium)	-	-	-	-	600.00	-
Share issue expenses	-	-	-	-	(8.20)	-
<b>Net cash from / (used in) financing activities</b>	<b>330.42</b>	<b>(639.04)</b>	<b>(964.65)</b>	<b>349.47</b>	<b>1,532.14</b>	<b>469.97</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(128.05)</b>	<b>(75.23)</b>	<b>182.65</b>	<b>46.44</b>	<b>4.50</b>	<b>(32.36)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>	<b>35.01</b>
<b>Add: Acquired pursuant to acquisition of subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.03</b>	<b>-</b>	<b>0.06</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.58	1.25	2.77	3.29	3.80	1.45
Balances with banks:						
On current accounts	1.37	160.72	135.89	43.89	3.41	1.26
- Cash credit from banks	31.10	-	95.23	-	-	-
Deposits with original maturity for less than 3 months	-	0.13	3.44	7.50	-	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement:</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>



## THE OFFER

The following table summarises the details of the Offer:

Offer	Up to [●] Equity Shares aggregating to ₹ [●] million
<i>of which:</i>	
(i) Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares aggregating up to ₹ 1,500.00 million
(ii) Offer for Sale <sup>(2)(3)</sup>	Up to 6,402,650 Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
A) QIB Portion <sup>(4)(5)</sup>	Not more than [●] Equity Shares
<i>of which</i>	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which</i>	
Mutual Fund Portion	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non – Institutional Portion <sup>(5)</sup>	Not less than [●] Equity Shares
C) Retail Portion <sup>(5)</sup>	Not less than [●] Equity Shares
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	24,950,388 <sup>(6)</sup> Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	For details, see the section “ <i>Objects of the Offer</i> ” on page 88.  Our Company will not receive any proceeds from the Offer for Sale.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. For further details, see the sub-section “*Offer Procedure – Allotment Procedure and Basis of Allotment*” on page 515.

- (1) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on May 8, 2018 and the Fresh Issue by our Shareholders pursuant to a special resolution passed in accordance with section 62 of the Companies Act, 2013 at the Shareholders meeting held on May 11, 2018.*
- (2) *Each of the Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale pursuant to their consent letters or resolutions of their board of directors, as applicable. For further details, see the section “Other Regulatory and Statutory Disclosures” on page 459.*
- (3) *The Selling Shareholders confirm that the Equity Shares being offered as part of the Offer for Sale have been held in compliance with Regulation 26(6) of the SEBI ICDR Regulations and, to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been on Equity Shares held for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and issued by capitalizing of free reserves of our Company and accordingly, are eligible for being offered for sale in the Offer, in accordance with Regulation 26(6) of the SEBI ICDR Regulations.*
- (4) *Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see the section “Offer Procedure” on page 481.*
- (5) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Investor Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated prior to Equity Shares offered pursuant to the Offer for Sale. After receipt of subscription of 100% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale shall be allocated in proportion to the number of Equity Shares offered by each of the Selling Shareholders. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Offer Structure” on page 478. The Selling Shareholders, acknowledge and agree, in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Draft Red Herring Prospectus and SEBI ICDR Regulations.*

- (6) *As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section “History and Corporate Structure”) and as acknowledged by our Company pursuant to its letter dated May 29, 2018 (the “CCPS Conversion Letter”), after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see “History and Corporate Structure” on page 145.*

The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of equity shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis.

For details of the Offer procedure, including the grounds for rejection of Bids, refer to the section “*Offer Procedure*” on page 481. For details of the terms of the Offer, refer to the section “*Terms of the Offer*” on page 473.

## GENERAL INFORMATION

Our Company was incorporated as 'Bhairav Leasing and Finance Private Limited' on July 25, 1994 under the Companies Act, 1956 as a private limited company with a certificate of incorporation issued by the RoC. The name of our Company was changed to 'Century Aluminium Industries Private Limited' pursuant to a resolution of our Shareholders dated August 31, 2004 and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on May 31, 2005. Subsequently, pursuant to a resolution of our Shareholders dated March 27, 2006, the name of our Company was changed to 'Century Metal Recycling Private Limited' and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on April 23, 2006. On the conversion of our Company to a public limited company pursuant to a resolution passed by our Shareholders dated March 19, 2018, our name was changed to 'Century Metal Recycling Limited' and a fresh certificate of incorporation dated April 2, 2018 was issued by the RoC. For details, see the section "*History and Corporate Structure*" on page 145.

### Registered Office

The details of the Registered Office of our Company are set forth below:

W 5/16, Western Avenue  
Sainik Farm  
New Delhi 110 062  
India  
**Telephone:** +91 11 2955 4559, +91 11 2955 1339  
**Facsimile:** +91 11 2955 1575  
**Website:** www.cmr.co.in

### Corporate Office

The details of the Corporate Office of our Company are set forth below:

Unit Nos. 802-803, SSR Corporate Park  
8th Floor, 13/6, Sector 27 B  
Delhi - Mathura Road  
Faridabad 121 003  
Haryana, India  
**Telephone:** +91 129 422 3050  
**Facsimile:** +91 129 422 3052  
**Website:** www.cmr.co.in

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	060453
Corporate Identity Number	U74899DL1994PLC060453

### The Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi, situated at the following address:

4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019  
India  
**Telephone:** +91 11 2623 5703  
**Facsimile:** +91 11 2623 5708

## Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name and Designation	Age (in years)	DIN	Address
<b>Gauri Shankar Agarwala</b> <i>Chairman and Executive Director</i>	77	00595378	W-5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India
<b>Mohan Agarwal</b> <i>Managing Director</i>	54	00595232	W-5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India
<b>Akshay Agarwal</b> <i>Whole-time Director</i>	26	07175149	W-5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India
<b>Peter Francis Amour</b> <i>Non Executive Nominee Director*</i>	59	00071314	Apt 0783, Tower 15, Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong
<b>Vegulaparanan Kasi Viswanathan</b> <i>Independent Director</i>	67	01782934	F 01,1st Floor, Legacy Caldera, 56, SRT Road, Cunningham Cross Road, Bangalore, Karnataka 560 052, India
<b>Nina Chatrath</b> <i>Independent Director</i>	55	07700943	1-A, Nizamuddin East, New Delhi 110 013, India
<b>Balvinder Kumar</b> <i>Independent Director</i>	61	01647940	6C, HUDCO Place, New Delhi, 110 049, India
<b>Gyan Mohan</b> <i>Independent Director</i>	61	07816704	323 A, Patliputra Colony, Patna, Bihar 800 013, India

*\*Nominee of Global Scrap Processors Limited, pursuant to the Investment Agreement. For more information, see the section "History and Corporate Structure" on page 145. Pursuant to a resolution of our Board dated February 19, 2018, Abir Seth was appointed as an alternate director to Peter Francis Amour.*

For further details of our Directors, see the section "Our Management" on page 156.

## Company Secretary and Compliance Officer

Our Company has appointed Pradeep Singh, as our Company Secretary and Compliance Officer. His contact details are as follows:

Unit Nos. 802-803, SSR Corporate Park  
8<sup>th</sup> Floor, 13/6, Sector 27 B  
Delhi - Mathura Road  
Faridabad 121 003  
Haryana, India  
**Telephone:** +91 129 422 3050  
**Facsimile:** +91 129 422 3052  
**Email:** complianceofficer@century.in

## Chief Financial Officer

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

Unit Nos. 802-803, SSR Corporate Park  
8<sup>th</sup> Floor, 13/6, Sector 27 B  
Delhi - Mathura Road  
Faridabad 121 003  
Haryana, India  
**Telephone:** +91 129 422 3050  
**Facsimile:** +91 129 422 3052  
**Email:** satish.kk@century.in

## Investor Grievances

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

All grievances relating to the ASBA process 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 also 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, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager with whom the Bid cum Application Form was submitted by the Anchor Investor.

Additionally, Bidders may also contact the BRLMs for redressal of complaints. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to such complaints, queries or comments.

### **Book Running Lead Managers**

#### **ICICI Securities Limited**

ICICI Centre, H. T. Parekh Marg  
Churchgate, Mumbai 400 020  
Maharashtra, India

**Telephone:** +91 22 2288 2460

**Facsimile:** +91 22 2282 6580

**Email:** cmr.ipo@icicisecurities.com

**Investor grievance email:** customercare@icicisecurities.com

**Website:** www.icicisecurities.com

**Contact Person:** Rupesh Khant

**SEBI Registration No.:** INM000011179

#### **Edelweiss Financial Services Limited**

14th Floor, Edelweiss House  
Off. C.S.T. Road, Kalina  
Mumbai 400 098  
Maharashtra, India

**Telephone:** +91 22 4009 4400

**Facsimile:** +91 22 4086 3610

**Email:** cmr.ipo@edelweissfin.com

**Investor grievance email:** customerservice.mb@edelweissfin.com

**Website:** www.edelweissfin.com

**Contact Person:** Ashish Gupta

**SEBI Registration No.:** INM0000010650

### **Syndicate Members**

[●]

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

#### **Khaitan & Co**

Ashoka Estate, 12<sup>th</sup> Floor  
24, Barakhamba Road  
New Delhi 110 001  
India

**Telephone:** +91 11 4151 5454

**Facsimile:** +91 11 4151 5318

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

**Cyril Amarchand Mangaldas**

4th floor, Prius Platinum  
D-3, District Centre, Saket  
New Delhi 110 017  
India

**Telephone:** +91 11 6622 9000

**Facsimile:** +91 11 6622 9009

**Legal Counsel to the Investor Selling Shareholder as to Indian law****Platinum Partners**

902, Tower B, Peninsula Business Park  
Ganapatrao Kadam Marg, Lower Parel  
Mumbai 400 013  
India

**Telephone:** +91 22 6111 1900

**Facsimile:** +91 22 6111 1906

**Statutory Auditor to our Company****S. R. Batliboi & Co. LLP, Chartered Accountants**

3rd & 6th Floor, Worldmark - I  
IGI Airport Hospitality District, Aerocity  
New Delhi – 110037  
India

**Telephone:** +91 124 464 4000

**Facsimile:** +91 124 464 4050

**Email:** SRBC@srb.in

**Firm Registration No.:** 301003E/E300005

**Registrar to the Offer****Karvy Computershare Private Limited**

Karvy Selenium, Tower B  
Plot Number 31 and 32  
Gachibowli, Financial District Nanakramguda  
Hyderabad, 500 032, India

**Telephone:** +91 40 6716 2222

**Facsimile:** +91 40 2342 0814

**Email:** century.ipo@karvy.com

**Investor grievance email:** einward.rti@karvy.com

**Website:** www.karvycomputershare.com

**Contact Person:** M. Muralikrishna

**SEBI Registration No.:** INR000000221

**Escrow Collection Bank(s)**

[•]

**Refund Banker**

[•]

**Public Offer Bank(s)**

[•]

**Bankers to our Company**

**State Bank of India**

Commercial branch  
The Great Eastern Centre, 70  
Ground Floor, Nehru Place  
New Delhi 110 019  
**Telephone:** +91 11 2621 8317  
**Facsimile:** +91 11 2621 0480  
**Email:** rm3.cbnp@sbi.co.in  
**Website:** sbi.co.in  
**Contact Person:** Yateesh Agarwal

**HDFC Bank Limited**

HDFC Bank House, 2<sup>nd</sup> Floor  
Vatika Atrium, A Block, Golf  
Course Road, Sector 5  
Gurugram 122 002, Haryana  
**Telephone:** + 91 124 466 4346  
**Facsimile:** NA  
**Email:** anand.jha2@hdfcbank.com  
**Website:** www.hdfcbank.com  
**Contact Person:** Anand Jha

**Axis Bank Limited**

Axis House, 4<sup>th</sup> Floor, Tower-1  
I-14, Sector 128, Noida 201 301  
Uttar Pradesh, India  
**Telephone:** +91 120 621 0817  
**Facsimile:** NA  
**Email:** avnit.arora@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Avnit Arora

**Designated Intermediaries****Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs under the SEBI Bankers to the Issue Regulations, 1994 for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For details of the list of the Designated SCSB Branches named by the respective SCSB which shall collect the Bid cum Application Forms, refer to the above-mentioned link.

**Syndicate SCSB Branches**

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to collect 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/other/OtherAction.do?doRecognised=yes>) and updated from time to time.

**Registered Brokers/Registrar and Share Transfer Agents/ CDPs**

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

**Monitoring Agency**

Our Company shall appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 16(2) of the SEBI ICDR Regulations.

**IPO Grading**

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

**Credit Rating**

As this is an offer of Equity Shares, there is no credit rating for the Offer.

**Trustees**

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

**Project Appraisal**

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

## Experts

Except as stated below, our Company has not obtained any expert opinion in connection with this Draft Red Herring Prospectus:

Our Company has received written consent dated June 11, 2018, from the Statutory Auditors namely, S.R. Batliboi & Co. LLP, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Statutory Auditor and in respect of their (i) examination reports, each dated June 4, 2018 on our Restated Consolidated Financial Statements and our Restated Unconsolidated Financial Statements; and (ii) their report dated June 8, 2018 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Additionally, GE Safety and Engineering Services, Chartered Engineers has also provided their consent dated April 30, 2018, to include their name as an expert in relation to certifying the installed and utilised capacities of our Manufacturing Facilities, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

The term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## Statement of Inter-se Allocation of Responsibilities for the Offer

The following table sets forth the distribution of responsibility and coordination for various activities in the Offer amongst the Book Running Lead Managers:

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital Structuring with relative components and formalities such as composition of debt and equity, type of instruments, size of issue, allocation between primary and secondary, etc.	I-Sec and Edelweiss	I-Sec
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring 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, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	I-Sec and Edelweiss	I-Sec
3.	Drafting and approval of all statutory advertisement	I-Sec and Edelweiss	I-Sec
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.	I-Sec and Edelweiss	Edelweiss
5.	Appointment of other intermediaries viz., Registrar, Printers, Advertising Agency and Bankers to the Offer	I-Sec and Edelweiss	I-Sec
6.	Preparation of road show presentation & FAQs	I-Sec and Edelweiss	Edelweiss
7.	International institutional marketing strategy <ul style="list-style-type: none"><li>Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders</li><li>Finalizing roadshow schedule and investor meeting schedules</li></ul>	I-Sec and Edelweiss	Edelweiss
8.	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"><li>Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders</li><li>Finalizing roadshow schedule and investor meeting schedules</li></ul>	I-Sec and Edelweiss	I-Sec
9.	Non-Institutional marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"><li>Formulating marketing strategies for Non-institutional Bidders</li><li>Finalize Media and PR strategy</li></ul>	I-Sec and Edelweiss	Edelweiss
10.	Retail marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"><li>Formulating marketing strategies, preparation of publicity budget</li><li>Finalize Media and PR strategy</li><li>Finalizing centers for holding conferences for press and brokers</li><li>Finalizing collection centres;</li></ul>	I-Sec and Edelweiss	I-Sec



S. No.	Activity	Responsibility	Co-ordinator
	<ul style="list-style-type: none"> <li>Finalizing and follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material</li> </ul>		
11.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading, payment of 1% security deposit through cash and bank guarantee, Anchor Investor Allocation letters etc.	I-Sec and Edelweiss	I-Sec
12.	Finalization of pricing and managing the book in consultation with the Company and the Selling Shareholders	I-Sec and Edelweiss	I-Sec
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and Designated Intermediaries to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Offer, Bankers to the Offer, Designated Intermediaries etc. Including responsibility for underwriting arrangements, as applicable. The designated coordinating BRLM shall also be responsible for coordinating the redressal of investor grievances in relation to post Offer activities and coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the Offer.	I-Sec and Edelweiss	Edelweiss
14.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	I-Sec and Edelweiss	Edelweiss

### Book Building Process

The Book Building Process, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid Cum Application Form within the Price Band and will be decided by our Company and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers and the minimum Bid Lot will be decided by our Company and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers. The Price Band and Minimum Bid Lot will be advertised in [●] edition of English national newspaper [●] and [●] edition of the Hindi daily newspaper [●], Hindi being the regional language of New Delhi where the Registered Office of our Company is situated, each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Offer Price shall be determined by our Company and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers through the Book Building Process, after the Bid/Offer Closing Date.

**All Bidders, other than Anchor Investors, shall mandatorily participate in the Offer only through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion (other than the Anchor Investor Portion) and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to QIBs in the QIB Portion (other than the Anchor Investor Portion) will be on a proportionate basis and allocation to Anchor Investors will be on a discretionary basis. For further details, see the section “Terms of the Offer” and “Offer Procedure” on pages 473 and 481 respectively.**

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and terms of the Offer.

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to the Offer. The Selling Shareholders confirm that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, in relation to the Equity Shares offered by them in the Offer for Sale. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Managers to manage the Offer and procure Bids to the Offer.

**The Book Building Process and the Bidding Process under the SEBI ICDR Regulations is subject to change from time to time and Investors are advised to make their own judgment prior to submitting a Bid.**

### **Illustration of Book Building and Price Discovery Process**

For an illustration of the Book Building Process and price discovery process, see “Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building and Price Discovery Process” on page 514.

The Offer is subject to the receipt of the final approval from the RoC of the Red Herring Prospectus and the Prospectus and the issuance of the final listing and trade approvals from the Stock Exchanges.

Each Bidder by submitting a Bid in the Offer will be deemed to have acknowledged the above restrictions and terms of Offer.

### **Bid/Offer Programme**

For details of the Bid/Offer Programme, refer to the section “Terms of the Offer” on page 473.

### **Underwriting Agreement**

After the determination of the Offer Price but prior to the filing of Prospectus with the RoC, our Company, the Selling Shareholders and the Registrar to the Offer will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that, pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

*This table below has been intentionally left blank and would be finalized after pricing and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations and will be filled in before filing of the Prospectus with the RoC.*

<b>Name, address, telephone number, fax number and email of the Underwriters</b>	<b>Indicative Number of the Equity Shares to be Underwritten</b>	<b>Amount Underwritten (in ₹ million)</b>
[●]	[●]	[●]
[●]	[●]	[●]

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, the Underwriters shall be severally and not jointly responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement. The underwriting arrangement stated above shall not apply to the applications by the ASBA Bidders in the Offer, except for ASBA Bids procured by any member of the Syndicate. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus, before the Offer and after the Offer, is set forth below:

(in ₹ except share data)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price <sup>(1)</sup>
<b>A</b>	<b>Authorised Share Capital<sup>(2)</sup></b>		
	43,000,000 Equity Shares of ₹ 10 each	430,000,000	
	2,000,000 Preference Shares of ₹ 10 each	20,000,000	
<b>B</b>	<b>Issued, Subscribed and Paid Up Capital as on the date of this Draft Red Herring Prospectus</b>		
	24,950,388 Equity Shares of ₹ 10 each	249,503,880	
	1,416,622 Preference Shares of ₹ 10 each	14,166,220	
<b>C</b>	<b>Issued, Subscribed and Paid Up Capital prior to the Offer (upon conversion of the outstanding CCPS)<sup>(3)</sup></b>		
	30,616,876 Equity Shares of ₹ 10 each	306,168,760	
<b>D</b>	<b>Present Offer in terms of this Draft Red Herring Prospectus</b>		
	Up to [●] Equity Shares	[●]	[●]
	which consists of		
	Fresh Issue of up to [●] Equity Shares aggregating to ₹ 1,500 million <sup>(4)</sup>	[●]	[●]
	Offer for Sale of up to 6,402,650 Equity Shares <sup>(5)</sup>	64,026,500	[●]
<b>E</b>	<b>Issued, Subscribed and Paid Up Capital after the Offer</b>		
	[●] Equity Shares of ₹ 10 each	[●]	[●]
<b>F</b>	<b>Share Premium Account</b>		
	Before the Offer		670,526,231
	After the Offer		[●]

<sup>(1)</sup> To be finalized upon determination of the Offer Price.

<sup>(2)</sup> For details in relation to the changes in the authorized share capital of our Company since incorporation, see “History and Corporate Structure – Changes in the Memorandum of Association of our Company” on page 145.

<sup>(3)</sup> As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section “History and Corporate Structure”) and as acknowledged by our Company pursuant to its letter dated May 29, 2018 (the “CCPS Conversion Letter”), after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see “History and Corporate Structure” on page 145.

<sup>(4)</sup> The Offer has been authorized by a resolution of our Board of Directors in their meeting held on May 8, 2018 and the Fresh Issue has been authorised pursuant to a resolution of our Shareholders in their Extraordinary General Meeting held on May 11, 2018.

<sup>(5)</sup> The Selling Shareholders have specifically confirmed that the Equity Shares to be offered by them in the Offer for Sale are eligible for the Offer in accordance with the SEBI ICDR Regulations. The Offer for Sale has been authorised by the Selling Shareholders pursuant to their consent letters or resolution of their board of directors, as applicable. For details of authorizations received for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 459.

### Notes to Capital Structure

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

(a) The Equity Share Capital history of our Company is set forth below.

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value (₹)	Offer Price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative issued and paid up Equity Share capital (₹)
July 25, 1994	20	10	10	Cash	Initial subscription to the MoA <sup>(1)</sup>	20	200
October 1, 1996	134,500	10	10	Cash	Further allotment <sup>(2)</sup>	134,520	1,345,200
November 1,	261,000	10	10	Cash	Further allotment <sup>(3)</sup>	395,520	3,955,200

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value (₹)	Offer Price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative issued and paid up Equity Share capital (₹)
1996							
February 19, 1999	60,000	10	10	Cash	Further allotment <sup>(4)</sup>	455,520	4,555,200
December 21, 2001	197,000	10	25	Cash	Further allotment <sup>(5)</sup>	652,520	6,525,200
	2,170	10	10	Cash	Further allotment <sup>(6)</sup>	654,690	6,546,900
	198,000	10	30	Cash	Further allotment <sup>(7)</sup>	852,690	8,526,900
March 26, 2004	600,000	10	50	Cash	Further allotment <sup>(8)</sup>	1,452,690	14,526,900
February 20, 2007	500,000	10	150	Cash	Further allotment <sup>(9)</sup>	1,952,690	19,526,900
March 20, 2007	40,000	10	150	Cash	Further allotment <sup>(10)</sup>	1,992,690	19,926,900
March 27, 2007	380,010	10	100	Cash	Further allotment <sup>(11)</sup>	2,372,700	23,727,000
March 31, 2008	898,000	10	100	Cash	Further allotment <sup>(12)</sup>	3,270,700	32,707,000
May 14, 2011	2,328,738	10	-	Other than cash	Bonus issue in the ratio of 7.12 Equity Shares for every 10 Equity Shares held <sup>(13)</sup>	5,599,438	55,994,380
	562	10	10	Cash	Further allotment <sup>(14)</sup>	5,600,000	56,000,000
July 27, 2011	500,000	10	300	Cash	Further allotment <sup>(15)</sup>	6,100,000	61,000,000
January 3, 2013	23,375	10	-	Other than cash	Bonus issue in terms of the investment agreement dated May 19, 2011 entered into with Indian Automotive Components Manufacturers Private Equity Fund – 1-Domestic <sup>(16)</sup>	6,123,375	61,233,750
May 14, 2018	18,370,125	10	-	Other than cash	Bonus issue in the ratio of three Equity Shares for every one Equity Share held <sup>(17)</sup>	24,493,500	244,935,000
May 31, 2018	456,888	10	97.99 <sup>(18)</sup>	Cash	Conversion of CCPS <sup>(19)</sup>	24,950,388	249,503,880
<b>Total</b>	<b>24,950,388</b>					<b>24,950,388</b>	<b>249,503,880</b>

<sup>(1)</sup> Initial allotment of 10 Equity Shares each to Mohan Agarwal and Gauri Shankar Agarwala as a result of subscription to the MoA.

<sup>(2)</sup> Allotment of 40,000 Equity Shares to Gauri Shankar Agarwala, 6,500 Equity Shares each to Sanjay Kumar Tripathi, Seema Gupta and Shalini Agarwal, 6,000 Equity Shares each to Vipin Agarwal, Shilpi Agarwal, Samir Kumar Garg, Anita Agarwal, Sandeep Agarwal, Arvind Kuchhal, Aakansha Kuchhal, Prahlad Rai Jain and Pawan Kumar Jain, 5,500 Equity Shares each to Sushma Agarwal, Manish Agarwal and Vinay Kumar and 4,500 Equity Shares to Devi Dayal Mittal.

<sup>(3)</sup> Allotment of 155,000 Equity Shares to Mohan Agarwal, 70,000 Equity Shares to Gauri Shankar Agarwala, 30,000 Equity Shares to Jeewan Kumar and 6,000 Equity Shares to Dinesh Rajwanshi.

<sup>(4)</sup> Allotment of 60,000 Equity Shares to Data Base Computers Private Limited.

<sup>(5)</sup> Allotment of 30,000 Equity Shares to Integrated Infosoft Private Limited, 19,400 Equity Shares to Technet Global Private Limited, 27,600 Equity Shares to A. K. Soft Tech Private Limited, 7,600 Equity Shares to Pert Consultants Private Limited, 10,000 Equity Shares to B. K. Sinha, 2,000 Equity Shares each to Sandhya Sharma and Rahul Sharma, 8,000 Equity Shares to Neeta Saxena, 11,600 Equity Shares to Mayank Pareek, 15,400 Equity Shares to Apoorva Pareek, 4,000 Equity Shares each to M. R. Vyas and Anshu Purohit, 5,000 Equity Shares to Atul Pareek, 10,000 Equity Shares each to R. K. Sharma and Paradigm Advertisement Private Limited, 4,400 Equity Shares to Glitz Financial Services (P) Limited, 12,000 Equity Shares to Uma Devi Khaitan and 14,000 Equity Shares to Abha Devi Khaitan.

<sup>(6)</sup> Allotment of 10 Equity Shares each to Mohan Agarwal HUF and Gauri Shankar Agarwal HUF and 2,150 Equity Shares to Saarswati Devi.

<sup>(7)</sup> Allotment of 198,000 Equity Shares to B. R. Industries Limited.

<sup>(8)</sup> Allotment of 70,000 Equity Shares each to Abhilasha Agencies Private Limited, J. N. Fiscal Services Private Limited and Venus Tea Traders

Private Limited, 58,000 Equity Shares to Sugam Commodore Private Limited, 50,000 Equity Shares to Shubh Suppliers Private Limited, 44,000 Equity Shares to Chirayu Traders Private Limited, 42,000 Equity Shares to Swarnanga Vinimay Private Limited, 40,000 Equity Shares to Simpro Vanijya Private Limited, 30,000 Equity Shares each to Rashmi Vyapar Private Limited and SAO Finance & Properties Private Limited, 20,000 Equity Shares to Chandelier Tracon Private Limited, 12,000 Equity Shares to Vedanga Leather Private Limited, 10,000 Equity Shares each to R. K. Sharma and Venlon Securities Private Limited, 5,000 Equity Shares each to Ashok Kumar Agarwal, Sabita Agarwal and Apoorva Pareek, 4,000 Equity Shares each to Neha Agarwal, Dheeraj Poddar, Vikas Poddar and Vinay Poddar, 3,000 Equity Shares each to S. B. Poddar, Yasoda Poddar and Atul Pareek and 2,000 Equity Shares each to Lila Devi Agarwala and Nawal Kishore Agarwala.

- (9) Allotment of 300,000 Equity Shares to SFSL and 200,000 Equity Shares to GMRPL.
- (10) Allotment of 40,000 Equity Shares to SFSL.
- (11) Allotment of 180,000 Equity Shares to Mohan Agarwal, 120,000 Equity Shares to Kalawati Agarwal and 80,010 Equity Shares to Gauri Shankar Agarwala.
- (12) Allotment of 135,000 Equity Shares to GMRPL, 140,000 Equity Shares to Sanjivani, 142,500 Equity Shares to FMPL, 129,500 Equity Shares to RPPL, 90,000 Equity Shares to SFSL, 210,000 Equity Shares to Gauri Shankar Agarwala and 51,000 Equity Shares to Mohan Agarwal.
- (13) Allotment of 327,883 Equity Shares to Mohan Agarwal, 277,694 Equity Shares to Gauri Shankar Agarwala, 1,531 Equity Shares to Saraswati Devi, 7 Equity Shares to Mohan Agarwal HUF, 24,603 Equity Shares to Gauri Shankar Agarwala HUF, 163,760 Equity Shares to Kalawati Agarwal, 222,467 Equity Shares to Pratibha Agarwal, 206,836 Equity Shares to RPPL, 208,260 Equity Shares to FMPL, 277,680 Equity Shares to Sanjivani, 238,520 Equity Shares to GMRPL and 379,497 Equity Shares to SFSL.
- (14) Allotment of 562 Equity Shares to Mohan Agarwal.
- (15) Allotment of 500,000 Equity Shares to Indian Automotive Components Manufacturers Private Equity Fund – I- Domestic.
- (16) Allotment of 23,375 Equity Shares to Indian Automotive Components Manufacturers Private Equity Fund – I- Domestic.
- (17) Allotment of 2,366,865 Equity Shares to Mohan Agarwal, 2,003,142 Equity Shares to Gauri Shankar Agarwala, 1,192,323 Equity Shares to Kalawati Agarwal, 1,604,763 Equity Shares to Pratibha Agarwal, 2,737,494 Equity Shares to SFSL, 2,003,040 Equity Shares to Sanjivani, 4,801,890 Equity Shares to GMRPL, 1,502,280 Equity Shares to FMPL, 1,492,008 Equity Shares to RPPL, 3,081,327 Equity Shares to Global Scrap Processors Limited, 177,474 Equity Shares to Gauri Shankar Agarwal HUF and 51 Equity Shares to Mohan Agarwal HUF.
- (18) Please note that ₹ 97.99 is the effective price per Equity Share, upon conversion of one CCPS into four Equity Shares.
- (19) Conversion of 114,222 CCPS held by Global Scrap Processors Limited into 456,888 Equity Shares in the ratio of four Equity Shares for every CCPS held, pursuant to a resolution of the shareholders of our Company dated May 31, 2018. Pursuant to the Investment Agreement dated September 24, 2013, 1,530,844 CCPS were allotted to Global Scrap Processors Limited, of which 114,222 CCPS were converted, as stated hereinabove, and the remaining 1,416,622 CCPS will be converted prior to filing of the Red Herring Prospectus with the RoC. For details of the Investment Agreement, see the section “History and Corporate Structure” on page 145.

(b) The Preference Share capital history of our Company is set forth below.

Date of allotment of Preference Shares	No. of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of Preference Shares	Cumulative issued and paid up Preference Share capital (₹)
November 7, 2013	1,530,844	10	391.94	Cash	Preferential allotment <sup>(1)</sup>	1,530,844	15,308,440
May 31, 2018	(114,222)	10	97.99*	Cash	Conversion of CCPS <sup>(2)</sup>	1,416,622	14,166,220
<b>Total</b>	<b>1,416,622</b>					<b>1,416,622</b>	

<sup>(1)</sup> Allotment of 1,530,844 Compulsorily Convertible Preference Shares to Global Scrap Processors Limited.

<sup>(2)</sup> Conversion of 114,222 CCPS held by Global Scrap Processors Limited into 456,888 Equity Shares at a conversion ratio of four Equity Shares for every CCPS held, pursuant to a resolution of the Board of our Company dated May 31, 2018. After such conversion of 114,222 CCPS, there will be 1,416,622 CCPS outstanding as on the date of the Draft Red Herring Prospectus, of which 1,027,110 CCPS will be transferred to one of the members of our Promoter Group, GMRPL prior to the filing of the Red Herring Prospectus with the RoC in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section “History and Corporate Structure”) and as acknowledged by our Company pursuant to its letter dated May 29, 2018. Such transfer would be consummated upon receipt of the purchase consideration computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For details of such transfer of 1,027,110 CCPS, see “History and Corporate Structure” on page 145.

\* Please note that ₹ 97.99 is the effective price per Equity Share, upon conversion of one CCPS into four Equity Shares.

## 2. Issue of Equity Shares in the last one year at a price lower than the Offer Price

Our Company issued 18,370,125 Equity Shares as bonus, pursuant to a resolution of our Board dated May 14, 2018 in the ratio of three Equity Shares to one Equity Share. Additionally, 114,222 CCPS held by Global Scrap Processors Limited were converted into 456,888 Equity Shares on May 31, 2018 at a conversion ratio of four Equity Shares for every CCPS held. For details, see “- Notes to Capital Structure – Share capital history of our Company” on page 72. Except as stated hereinbefore, our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

## 3. Equity shares issued for consideration other than cash or out of revaluation reserves

- (a) Other than the bonus issues made by our Company, there have been no Equity Shares issued for consideration other than cash, as on the date of this Draft Red Herring Prospectus. The details of such bonus issues are set forth below.

S. No.	Date of allotment of the Equity Shares	Number of Equity Shares	Face Value (₹)	Issue Price per Equity Share (₹)	Reasons for allotment	Benefits accrued to the Company
1.	May 14, 2011	2,328,738 <sup>(1)</sup>	10	Nil	Bonus Issue in the ratio of 7.12 Equity Shares for every 10 Equity Shares held	Nil
2.	January 3, 2013	23,375 <sup>(2)</sup>	10	Nil	Bonus Issue in terms of the investment agreement dated May 19, 2011 entered into with Indian Automotive Components Manufacturers Private Equity Fund – 1-Domestic	Nil
3.	May 14, 2018	18,370,125 <sup>(3)</sup>	10	Nil	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held	Nil

(1) Allotment of 327,883 Equity Shares to Mohan Agarwal, 277,694 Equity Shares to Gauri Shankar Agarwala, 1,531 Equity Shares to Saraswati Devi, 7 Equity Shares to Mohan Agarwal HUF, 24,603 Equity Shares to Gauri Shankar Agarwala HUF, 163,760 Equity Shares to Kalawati Agarwal, 222,467 Equity Shares to Pratibha Agarwal, 206,836 Equity Shares to RPPL, 208,260 Equity Shares to FMPL, 277,680 Equity Shares to Sanjivani, 238,520 Equity Shares to GMRPL and 379,497 Equity Shares to SFSL.

(2) Allotment of 23,375 Equity Shares to Indian Automotive Components Manufacturers Private Equity Fund – 1-Domestic.

(3) Allotment of 2,366,865 Equity Shares to Mohan Agarwal, 2,003,142 Equity Shares to Gauri Shankar Agarwala, 1,192,323 Equity Shares to Kalawati Agarwal, 1,604,763 Equity Shares to Pratibha Agarwal, 2,737,494 Equity Shares to SFSL, 2,003,040 Equity Shares to Sanjivani, 4,801,890 Equity Shares to GMRPL, 1,502,280 Equity Shares to FMPL, 1,492,008 Equity Shares to RPPL, 3,081,327 Equity Shares to Global Scrap Processors Limited, 177,474 Equity Shares to Gauri Shankar Agarwal HUF and 51 Equity Shares to Mohan Agarwal HUF.

For additional details of the bonus issues made by our Company, see “- Notes to Capital Structure – Share capital history of our Company” on page 72.

- (b) As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares or preference shares, including any issuance of bonus shares, out of revaluation reserves, since incorporation.
4. Our Company has not issued or allotted any shares in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or 230-232 of the Companies Act, 2013 as on the date of this Draft Red Herring Prospectus.

## 5. Employee Stock Options

Our Company does not have an employee stock option scheme as on the date of filing of the Draft Red Herring Prospectus.

## 6. Build-up of Promoters' Shareholding, Promoters' contribution and Lock-in

(a) **Build-up of Equity Shares held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 9,556,124 Equity Shares, which constitutes 38.30% of the issued, subscribed and paid-up Equity Share capital of our Company. Further, upon the conversion of 1,416,622 CCPS prior to the filing of the Red Herring Prospectus, our Promoters will collectively hold 31.21% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company.

The Equity Shares held by our Promoters were acquired/ allotted in the following manner, since the incorporation of our Company:

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of consideration	% of the pre-Offer Equity Share capital <sup>#</sup>	% of the post-Offer Equity Share capital <sup>##</sup>
<b>GAURI SHANKAR AGARWALA</b>							
July 25, 1994	Subscription to MoA	10	10	10	Cash	Negligible	[●]
October 1, 1996	Further allotment	40,000	10	10	Cash	0.13	[●]
November 1, 1996	Further allotment	70,000	10	10	Cash	0.23	[●]
August 18, 2003	Transfer to Kalawati Agarwal	(110,000)	10	18	Cash	(0.36)	[●]
August 18, 2005	Acquisition from Database Computers Private Limited	60,000	10	4	Cash	0.20	[●]
March 27, 2007	Further allotment	80,010	10	100	Cash	0.26	[●]
March 31, 2008	Further allotment	210,000	10	100	Cash	0.69	[●]
March 7, 2011	Acquisition from SFSL	40,000	10	165	Cash	0.13	[●]
May 14, 2011	Bonus Issue	277,694	10	-	Other than cash	0.91	[●]
May 14, 2018	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held	2,003,142	10	-	Other than cash	6.54	[●]
<b>TOTAL</b>		<b>2,670,856</b>				<b>8.72</b>	<b>[●]</b>
<b>MOHAN AGARWAL</b>							
July 25, 1994	Subscription to MoA	10	10	10	Cash	Negligible	[●]
November 1, 1996	Further allotment	155,000	10	10	Cash	0.51	[●]
August 18, 2003	Transfer to Pratibha Agarwal	(155,000)	10	18	Cash	(0.51)	[●]
December 27, 2006	Acquisition from Madhu Khaitan	229,500	10	4	Cash	0.75	[●]
March 27, 2007	Further allotment	180,000	10	100	Cash	0.59	[●]
March 31, 2008	Further allotment	51,000	10	100	Cash	0.17	[●]
May 14, 2011	Bonus Issue	327,883	10	-	Other than cash	1.07	[●]
	Further allotment	562	10	10	Cash	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of consideration	% of the pre-Offer Equity Share capital <sup>#</sup>	% of the post-Offer Equity Share capital <sup>##</sup>
May 14, 2018	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held	2,366,865	10	-	Other than cash	7.73	[●]
<b>TOTAL</b>		<b>3,155,820</b>				<b>10.31</b>	<b>[●]</b>
<b>KALAWATI AGARWAL</b>							
August 18, 2003	Acquisition from Gauri Shankar Agarwala	110,000	10	18	Cash	0.36	[●]
March 27, 2007	Further allotment	120,000	10	100	Cash	0.39	[●]
May 14, 2011	Bonus Issue	163,760	10	-	Other than cash	0.53	[●]
April 13, 2013	Acquisition from Saraswati Devi	3,681	10	Nil	Other than cash*	0.01	[●]
May 14, 2018	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held	1,192,323	10	-	Other than cash	3.89	[●]
<b>TOTAL</b>		<b>1,589,764</b>				<b>5.19</b>	<b>[●]</b>
<b>PRATIBHA AGARWAL</b>							
August 18, 2003	Acquisition from Mohan Agarwal	155,000	10	18	Cash	0.51	[●]
May 10, 2007	Acquisition from Ramdev Enterprises	40,000	10	10	Cash	0.13	[●]
	Acquisition from Sheetal Enterprises Limited	18,000	10	10	Cash	0.06	[●]
	Acquisition from Arham Commercial Corporation	30,000	10	10	Cash	0.10	[●]
	Acquisition from Jalco Financial Services Limited	18,000	10	10	Cash	0.06	[●]
	Acquisition from Vinayak Enterprises	12,000	10	10	Cash	0.04	[●]
	Acquisition from Abhijit Trading Company	10,000	10	10	Cash	0.03	[●]
	Acquisition from PMB Capital	14,000	10	10	Cash	0.05	[●]
March 7, 2011	Acquisition from SFSL	5,454	10	165	Cash	0.02	[●]



Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Face value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of consideration	% of the pre-Offer Equity Share capital <sup>#</sup>	% of the post-Offer Equity Share capital <sup>##</sup>
May 10, 2011	Acquisition from Navkar Enterprises	10,000	10	-	Cash	0.03	[●]
May 14, 2011	Bonus Issue	222,467	10	-	Other than cash	0.73	[●]
May 14, 2018	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held	1,604,763	10	-	Other than cash	5.24	[●]
<b>TOTAL</b>		<b>2,139,684</b>				<b>6.99</b>	<b>[●]</b>
<b>GRAND TOTAL</b>		<b>9,556,124</b>				<b>31.21</b>	<b>[●]</b>

<sup>#</sup> As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see "History and Corporate Structure" on page 145. Accordingly, the percentage of pre-Offer Equity Share capital has been calculated based on a capital of 30,616,876 Equity Shares (i.e. the issued, subscribed and paid up capital prior to the Offer and post conversion of the CCPS.)

<sup>##</sup> Assuming full subscription of the Offer

\* Pursuant to a transfer of Equity Shares by way of gift, without any consideration.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by the Promoters are pledged.

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

The table below presents the shareholding pattern of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the person	As on the date of the Draft Red Herring Prospectus		Pre-Offer (Upon conversion of the CCPS)*		Post-Offer**	
		No. of Equity Shares	Percentage of issued Equity Share Capital (%)	No. of Equity Shares	Percentage of issued Equity Share Capital (%)	No. of Equity Shares	Percentage of issued Equity Share Capital (%) <sup>#</sup>
Promoters							
1.	Gauri Shankar Agarwala	2,670,856	10.70	2,670,856	8.72	1,877,613	[●]
2.	Mohan Agarwal	3,155,820	12.65	3,155,820	10.31	2,366,865	[●]
3.	Kalawati Agarwal	1,589,764	6.37	1,589,764	5.19	1,192,323	[●]
4.	Pratibha Agarwal	2,139,684	8.58	2,139,684	6.99	1,604,763	[●]
Total (A)		9,556,124	38.30	9,556,124	31.21	7,041,564	[●]
Members of the Promoter Group							
5.	Gauri Shankar Agarwala HUF	236,632	0.94	236,632	0.77	Nil	[●]
6.	Mohan Agarwal HUF	68	Negligible	68	Negligible	Nil	[●]
7.	RPPL	1,989,344	7.97	1,989,344	6.50	1,989,344	[●]
8.	FMPL	2,003,040	8.03	2,003,040	6.54	2,003,040	[●]
9.	GMRPL	2,294,080	9.19	6,402,520	20.91	5,829,000	[●]
10.	SFSL	3,649,992	14.63	3,649,992	11.92	3,649,992	[●]
11.	Sanjivani	2,670,720	10.70	2,670,720	8.72	2,143,236	[●]
Total (B)		12,843,876	51.46	16,952,316	55.36	15,614,612	[●]

Sl. No.	Name of the person	As on the date of the Draft Red Herring Prospectus		Pre-Offer (Upon conversion of the CCPS)*		Post-Offer**	
		No. of Equity Shares	Percentage of issued Equity Share Capital (%)	No. of Equity Shares	Percentage of issued Equity Share Capital (%)	No. of Equity Shares	Percentage of issued Equity Share Capital (%)#
Total		22,400,000	89.78	26,508,440	86.58	22,656,176	●

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section “History and Corporate Structure”) and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see “History and Corporate Structure” on page 145. Accordingly, the percentage of pre-Offer Equity Share capital has been calculated based on a capital of 30,616,876 Equity Shares (i.e. the issued, subscribed and paid up capital prior to the Offer and post conversion of the CCPS.)

\*\*Assuming full subscription in the Offer, and assuming all the Equity Shares offered by the Selling Shareholders as part of the Offer or Sale are transferred pursuant to this Offer.

# To be updated upon finalisation of the Offer Price.

### (c) Details of Promoters’ contribution locked-in for three years

Pursuant to Regulation 32 and Regulation 36 of the SEBI ICDR Regulations, an aggregate of 20.00% of the fully diluted post-Offer paid up capital of our Company held by the Promoters shall be locked-in for a period of three years from the date of Allotment of Equity Shares (“**Promoters’ Contribution**”).

Our Company undertakes that all Equity Shares, which are being locked-in, are not ineligible for computation of Promoters’ contribution under Regulation 33 of the SEBI ICDR Regulations.

The lock-in of the Promoters’ Contribution would be created as per applicable laws and procedures and the relevant details shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Details of Promoters’ Contribution are as provided below:

Name of the Promoter	Date of allotment/ transfer*	Nature of transaction	Nature of consideration	No. of Equity Shares locked in	Face value (₹)	Issue / Transfer Price (₹)	Percentage of post-Offer paid-up Equity Share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

\* All the above Equity Shares were fully paid-up at the time of allotment.

Our Promoters have given their consent for the inclusion of the Equity Shares held by them as part of Promoters’ 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, or for such other time as required under SEBI ICDR Regulations.

The Promoter’s Contribution has been brought in to the extent of not less than the specified minimum lot and from the person defined as ‘promoter’ under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are and will not be ineligible for computation of Promoter’s contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

- the Equity Shares locked-in do not, and shall not consist of the Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or

- the Equity Shares locked-in do not, and shall not, consist of unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;
- the Promoters' Contribution does not include Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued to our Promoters in the last one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
- the Equity Shares held by each of our Promoters, that are offered as part of the minimum Promoter's contribution, are not subject to any pledge or any other form of encumbrance whatsoever.

Our Company further confirms that such Equity Shares shall be held in dematerialised form prior to the filing of the Red Herring Prospectus with the RoC and that these Equity Shares do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of his Equity Shares as a part of the Promoters' Contribution subject to lock-in.

***(d) Details of pre-Offer equity share capital locked-in for one year***

In addition to the 20.00% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except for the Equity Shares held by a VCF, FVCI or Category I or Category II AIF (provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such VCF or AIF or FVCI). Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholders would also be locked-in for one year from the date of Allotment as per SEBI ICDR Regulations.

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

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

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

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) if the Equity Shares are locked-in as minimum Promoters' Contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Fresh Issue and the pledge of such Equity Shares is one of the terms of sanction of the loan; (ii) if the Equity Shares not forming part of minimum Promoters' Contribution are locked-in under Regulation 36(b) of the SEBI ICDR Regulations for one year, the pledge of such Equity Shares is one of terms of the sanction of the loan. For details regarding the objects of the Offer, see the section "*Objects of the Offer*" on page 88.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to any Promoter, any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of such transferee for the remaining period and compliance with the SEBI Takeover Regulations.

**7. Details of Equity Shares held by the Selling Shareholders**

Shareholders	As on the date of this Draft Red Herring Prospectus		Pre-Offer*		Offer for Sale		Post-Offer**	
	Number of Equity Shares	% of Equity Share Capital	Number of Equity Shares	% of Equity Share Capital (upon conversion of the CCPS)	Number of Equity Shares offered	% of pre - Offer Equity Share Capital (upon conversion of the CCPS)	Number of Equity Shares	% of Equity Share Capital
Global Scrap Processors Limited	2,550,388	10.22	4,108,436	13.42	2,550,386	8.33	1,558,050	[●]
Mohan Agarwal	3,155,820	12.65	3,155,820	10.31	788,955	2.58	2,366,865	[●]
Gauri Shankar Agarwala	2,670,856	10.70	2,670,856	8.72	793,243	2.59	1,877,613	[●]
Sanjivani	2,670,720	10.70	2,670,720	8.72	527,484	1.72	2,143,236	[●]
GMRPL	2,294,080	9.19	6,402,520	20.91	573,520	1.87	5,829,000	[●]
Pratibha Agarwal	2,139,684	8.58	2,139,684	6.99	534,921	1.75	1,604,763	[●]
Kalawati Agarwal	1,589,764	6.37	1,589,764	5.19	397,441	1.30	1,192,323	[●]
Gauri Shankar Agarwala HUF	236,632	0.94	236,632	0.77	236,632	0.77	Nil	[●]
Mohan Agarwal HUF	68	Negligible	68	Negligible	68	Negligible	Nil	[●]
<b>Total</b>	<b>17,308,012</b>	<b>69.35</b>	<b>22,974,500</b>	<b>75.03</b>	<b>6,402,650</b>	<b>20.91</b>	<b>16,571,850</b>	<b>[●]</b>

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see "History and Corporate Structure" on page 145. Accordingly, the percentage of pre-Offer Equity Share capital has been calculated based on a capital of 30,616,876 Equity Shares (i.e. the issued, subscribed and paid up capital prior to the Offer and post conversion of the CCPS.)

\*\*Assuming full subscription in the Offer

## 8. Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No. of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	11	22,400,000	-	-	22,400,000	89.78	22,400,000	NA	22,400,000	89.78	-	73.16	-	-	-	-	22,400,000
(B)	Public	1	2,550,388	-	-	2,550,388	10.22	2,550,388	NA	2,550,388	10.22	5,666,488	26.84	-	-	-	-	2,550,388
(C)	Non Promoter- Non Public																	
(C) (1)	Shares underlying DRs	-		-	-	-	-	NA	NA	NA	NA	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-		-	-	-	-	NA	NA	NA	NA	-	-	-	-	-	-	-
	Total	12	24,950,388	-	-	24,950,388	100	24,950,388	NA	24,950,388	100.00	5,666,488	100.00	-	-	-	-	24,950,388

B. The table below represents the shareholding pattern of our Company as it will stand upon conversion of the outstanding CCPS:

Category (I)	Category of Shareholder (II)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No. of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group*	11	26,508,440	-	-	26,508,440	86.58	26,508,440	NA	26,508,440	86.58	-	86.58	-	-	-	-	26,508,440
(B)	Public	1	4,108,436	-	-	4,108,436	13.42	4,108,436	NA	4,108,436	13.42	-	13.42	-	-	-	-	4,108,436
(C)	Non Promoter- Non Public																	
(C) (1)	Shares underlying DRs	-		-	-	-	-	NA	NA	NA	NA	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-		-	-	-	-	NA	NA	NA	NA	-	-	-	-	-	-	-
	<b>Total</b>	<b>12</b>	<b>30,616,876</b>	<b>-</b>	<b>-</b>	<b>30,616,876</b>	<b>100.00</b>	<b>30,616,876</b>	<b>NA</b>	<b>30,616,876</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,616,876</b>

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For details, see "History and Corporate Structure" on page 145.

9. **Equity Shares held by top ten shareholders**

- (a) On the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share capital (%)
1.	SFSL	3,649,992	14.63
2.	Mohan Agarwal	3,155,820	12.65
3.	Gauri Shankar Agarwala	2,670,856	10.70
4.	Sanjivani	2,670,720	10.70
5.	Global Scrap Processors Limited*	2,550,388	10.22
6.	GMRPL	2,294,080	9.19
7.	Pratibha Agarwal	2,139,684	8.58
8.	FMPL	2,003,040	8.03
9.	RPPL	1,989,344	7.97
10.	Kalawati Agarwal	1,589,764	6.37
<b>Total</b>		<b>24,713,688</b>	<b>99.05</b>

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see "History and Corporate Structure" on page 145.

- (b) Ten days prior to the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share capital (%)
1.	SFSL	3,649,992	14.63
2.	Mohan Agarwal	3,155,820	12.65
3.	Gauri Shankar Agarwala	2,670,856	10.70
4.	Sanjivani	2,670,720	10.70
5.	Global Scrap Processors Limited*	2,550,388	10.22
6.	GMRPL	2,294,080	9.19
7.	Pratibha Agarwal	2,139,684	8.58
8.	FMPL	2,003,040	8.03
9.	RPPL	1,989,344	7.97
10.	Kalawati Agarwal	1,589,764	6.37
<b>Total</b>		<b>24,713,688</b>	<b>99.05</b>

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see "History and Corporate Structure" on page 145.

- (c) Two years prior to the date of filing this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share capital (%)
1.	SFSL	912,498	14.90
2.	Mohan Agarwal	788,955	12.88
3.	Gauri Shankar Agarwala	667,714	10.90
4.	Sanjivani	667,680	10.90
5.	GMRPL	573,520	9.37
6.	Pratibha Agarwal	534,921	8.74
7.	Global Scrap Processors Limited*	523,375	8.55
8.	FMPL	500,760	8.18
9.	RPPL	497,336	8.12
10.	Kalawati Agarwal	397,441	6.49

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Equity Share capital (%)
	<b>Total</b>	<b>6,064,200</b>	<b>99.03</b>

\* As on two years prior to the filing of the Draft Red Herring Prospectus, along with 523,375 Equity Shares, Global Scrap Processors Limited was also allotted 1,530,844 CCPS pursuant to the Investment Agreement dated September 24, 2013. For details, see "History and Corporate Structure" on page 145.

#### 10. Details of purchase or sale of Equity Shares by our Promoters, Promoter Group and Directors

There has been no purchase or sale of Equity Shares or the securities of our Subsidiaries by our Promoters, Promoter Group or our Directors or their immediate relatives, during the six-month period immediately preceding the date of filing of this Draft Red Herring Prospectus. However, our Promoters, Kalawati Agarwal and Pratibha Agarwal, on May 30, 2018, acquired 112,883 equity shares, each, of Sanjivani, our erstwhile subsidiary, in which our Company held 51.00% of the paid up equity share capital. Our Company, pursuant to a resolution of the Board dated May 14, 2018, divested 51.00% of the equity shares held in Sanjivani and accordingly, Sanjivani ceased to be its subsidiary.

#### 11. Details of Equity Shares held by our Directors and Key Management Personnel

The table below sets forth the details of Equity Shares that are held by our Directors and Key Management Personnel:

S. No.	Name of the Director / KMPs	Designation	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Percentage of Equity Share capital as on date of this Draft Red Herring Prospectus	Number of Equity Shares held upon conversion of the CCPS	Percentage of pre -Offer Equity Share Capital (upon conversion of the CCPS)*
1.	Mohan Agarwal	Managing Director	3,155,820	12.65	3,155,820	10.31
2.	Gauri Shankar Agarwala	Chairman and Executive Director	2,670,856	10.70	2,670,856	8.72
	<b>Total</b>		<b>5,826,676</b>	<b>23.35</b>	<b>5,826,676</b>	<b>19.03</b>

\* As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section "History and Corporate Structure") and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see "History and Corporate Structure" on page 145.

12. The Equity Shares, which are subject to lock-in, shall be transferable subject to compliance with the SEBI ICDR Regulations. The details of lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares.
13. Our Company, the Selling Shareholders, our Directors and the BRLMs have not entered into any buyback, safety net and/or standby arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.
14. There are no financing arrangements whereby the Promoters, the Promoter Group, Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI.
15. Except 1,416,622 CCPS currently held by Global Scrap Processors Limited which will be converted into 5,666,488 Equity Shares in the ratio of four Equity Shares for every CCPS held, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares.
16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on date of this Draft Red Herring Prospectus.
17. The Equity Shares issued pursuant to this Offer shall be fully paid-up.



18. Except for 5,666,488 Equity Shares proposed to be issued pursuant to conversion of 1,416,622 CCPS currently held by Global Scrap Processors Limited, which will be converted in the ratio of four Equity Shares for every CCPS held, our Company shall not make any further issue of Equity Shares and/or any securities convertible into Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
19. Our Company presently does not have any intention or proposal, and has not entered into negotiations nor are considering to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for our Equity Shares) whether on a preferential basis or bonus or rights issue or further public offering or qualified institutions placement or otherwise, except that if our Company enters into acquisitions, joint venture(s) or any other arrangements, our Company may, subject to receipt of necessary approvals, consider raising additional capital to fund such activities or to use Equity Shares as a currency for acquisitions or participation in such joint ventures at any time during the aforementioned six months. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, if applicable, provided they have been approved by our Board.
20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
21. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
23. The Company has 12 Shareholders as on the date of this Draft Red Herring Prospectus.
24. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Selling Shareholders, our Directors, our Promoters, members of our Promoter Group and the Key Management Personnel, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
25. None of the Equity Shares held by the Promoters or the members of our Promoter Group are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.
26. Except for Mutual Funds sponsored by entities related to the BRLMs, Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion.
27. Our Company has not made any public issue or rights issue to the public of any kind or class of securities since its incorporation.
28. As on the date of this Draft Red Herring Prospectus, neither the BRLMs nor their associates (as per the Companies Act) hold any Equity Shares.
29. Any oversubscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Offer.
30. The Offer is being made in terms of Rule 19(2)(b) of the SCRR. Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, the Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis. Our Company and the Investor Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor

Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance of Equity Shares shall be added to the QIB Portion. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, such that subject to availability of Equity Shares, each Retail Individual Bidder shall be allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

31. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
32. Except to the extent of the Equity Shares offered by the Selling Shareholders for sale in the Offer for Sale, our Promoters, members of our Promoter Group and Group Companies will not participate in the Offer.
33. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, refer to the chapter “*Offer Procedure*” beginning on page 481.
34. For details of our related party transactions, see the section “*Related Party Transactions*” on page 186.
35. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

### The Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale of their respective portion of the Equity Shares after deducting their portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) shall be shared among our Company and the Selling Shareholders in accordance with applicable laws. Each Selling Shareholder shall reimburse our Company for all expenses incurred in relation to the Offer for Sale on behalf of such Selling Shareholder.

### Fresh Issue

Our Company intends to utilize the Net Proceeds from the Fresh Issue towards the following objects:

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company; and
2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Fresh Issue and for which the loans proposed to be repaid from the Net Proceeds were utilised. In addition, 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 details of the Net Proceeds are set forth in the following table:

		(₹ in million)
Particulars		Estimated Amount
Gross proceeds of the Fresh Issue		■
Less:	Offer related expenses to be borne by our Company*	■
Net Proceeds		■

\* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

### Requirements of Funds

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

		(₹ in million)
Particulars		Amount
Prepayment or repayment of all or a portion of certain borrowings availed by our Company		1,250.00
General corporate purposes <sup>(1)</sup>		■

<sup>(1)</sup> To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

In case of a shortfall in the Net Proceeds, our management may explore alternate means for such repayment or prepayment (as the case may be), including utilisation of our internal accruals or further debt financing.

### Means of Finance

The entire requirement of funds towards the objects of the Offer will be met from the Net Proceeds. Accordingly, as required under Paragraph VII C of Part A of Schedule VIII of the SEBI ICDR Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer.

### Schedule for Utilisation of the Net Proceeds

We propose to deploy the Net proceeds for the aforesaid purposes in accordance with the estimated schedule set forth in the table below:

(in ₹ million)

Sr. No.	Particulars	Amount proposed to be funded from Net Proceeds <sup>(1)</sup>	Estimated Utilisation of Net Proceeds in Fiscal 2019
1.	Prepayment or repayment of all or a portion of certain borrowings availed by our Company	1,250.00	1,250.00
2.	General corporate purposes	[●]	[●]
<b>Total</b>		[●]	[●]

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the ROC

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Offer, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned objects in accordance with the applicable law.

The fund deployment indicated above is based on current circumstances of our business and we may have to revise its estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details, see “*Risk Factors – Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the Objects of the Offer will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.*” on page 34.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the objects of the Fresh Issue, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/ or debt arrangements.

#### ***Details of Utilisation of Net Proceeds***

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

##### ***1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company***

Our Company proposes to utilise an aggregate amount of ₹ 1,250.00 million from the Net Proceeds towards full or partial repayment or prepayment of the loan facilities availed by our Company. The selection and extent of loan facilities proposed to be repaid from our Company’s loans mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, receipt of consents/waivers from our lenders for pre-payment, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced loans or repayment of additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans (including refinanced or additional loans availed, if any), in part or full, would not exceed ₹ 1,250.00 million. The prepayment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The following table provides details of loans availed by our Company as on April 30, 2018, which we propose to prepay or repay, in full or in part, from the Net Proceeds of an aggregate amount of ₹ 1,250.00 million:

(₹ in million)

S. No.	Name of lender	Nature of borrowing	Date of the loan agreement/ sanction letter	Applicable interest rate (%)	Sanctioned amount	Amount outstanding as on April 30, 2018	Repayment schedule	Purpose of availing the loan	Pre-payment penalty, if any
1.	Axis Bank Limited	Cash credit	April 10, 2017	9.90%	150.00	135.29	Regular facility with annual renewal	Working capital finance	Nil if payment is made from own source and 1% in case of takeover
		Bill discounting	March 22, 2017	8.65%	400.00	351.37	Regular facility with annual renewal	Working capital finance	Nil
2.	CTBC Bank Company Limited	Bill discounting	January 11, 2018	7.83%	230.00	177.87	Regular facility with annual renewal	Working capital finance	Nil
3.	HDFC Bank Limited	Bill discounting	October 5, 2012	8.50%	400.00	321.86	Regular facility with annual renewal	Working capital finance	Nil
		Cash credit	February 14, 2017	9.20%	250.00	98.12	Regular facility with annual renewal	Working capital finance	Nil
4.	Small Industries Development Bank of India	Term loan	March 21, 2016	10.40%	100.00	75.40	Repayable in 78 installments starting from October 2016 and ending on March 2023, first 77 equal monthly installments of ₹ 1,295,000 and last installment of ₹ 285,000.	For routine capital expenditure and working capital finance	1%
5.	State Bank of India	Cash credit Electronic Vendor Financing Scheme ("E-VFS")	February 7, 2018	9.20% 8.10% (E-VFS)	800.00	499.89	Regular facility with annual renewal	Working capital finance	Nil
<b>Total</b>	-	-	-	-	<b>2,330.00</b>	<b>1,659.80</b>	-	-	-

As certified by Kumar Vijay & Gupta Co., Chartered Accountants, no exceptions have been reported in the loans set out in the table above being utilised by our Company for the respective purposes for which they were raised.

In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of underutilization and prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any underutilization or prepayment penalties required to be paid under the terms of the relevant financing agreements, such underutilization and prepayment penalties shall be paid by our Company out of our internal accruals.

For further details in relation to the terms and conditions under the aforesaid loan agreements as well as restrictive covenants in relation thereto, see "Financial Indebtedness" on page 444.

## 2. General Corporate Purposes

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

### Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. All expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) will be shared between our Company and the Selling Shareholders on a pro-rata basis in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale, in accordance with applicable law. However, in the event that the Offer is withdrawn by our Company for any reason whatsoever, all the Offer related expenses will be borne by our Company. Any payments by our Company in relation to the Offer expenses on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholder to our Company. The break-up for the Offer expenses is as follows:

Activity	Estimated expenses <sup>(1)</sup> (in ₹ million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
BRLMs fees and commissions (including underwriting commission)	[●]	[●]	[●]
Selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(2)(3)</sup>	[●]	[●]	[●]
Selling Commission and/processing fee for SCSBs <sup>(2)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- BSE and NSE Processing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
- Advertising and marketing expenses, Printing and stationery	[●]	[●]	[●]
- Miscellaneous (Listing fees, Audit Fees, Demat Charges, Others)	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

(1) Amounts will be finalised on determination of Offer Price and other details.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

(3) Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% of the Amount Allotted* (plus applicable taxes)

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

*The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

*Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus GST, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

*The selling commission and Bidding Charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

The selling commission or charges, as the case may be, payable to SCSBs, members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs is subject to finalization of the Basis of Allotment.

### **Interim use of proceeds**

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

### **Bridge Financing Facilities**

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

### **Monitoring of Utilisation of Funds**

Our Company shall appoint a monitoring agency in relation to the Fresh Issue as required under the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus. Our Board will monitor the utilisation of the Net Proceeds through its Audit Committee and the Monitoring Agency will monitor the utilization of Net Proceeds of the Offer and submit its report to us in terms of Regulation 16(2) of SEBI ICDR Regulations. Our Company will disclose the utilisation of Net Proceeds under separate head in our balance sheet along with relevant details for all sum amounts that have not been utilised. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds, on a quarterly basis. Our Company shall on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Offer from the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee of the Board of Directors. Comments or reports from the Monitoring Agency will also be submitted to the Stock Exchanges on utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the

passing of such special resolution (the “**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed in Chapter VI-A of the SEBI ICDR Regulations.

#### **Appraising Entity**

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/financial institution.

#### **Other Confirmations**

Apart from the proceeds from the Offer for Sale by the Selling Shareholders, no part of the proceeds from the Offer will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors or Key Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with Promoters, Promoter Group, Group Companies, Directors and Key Management Personnel in relation to the utilization of the Net Proceeds. Further, except in the ordinary course of business, there is not existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.



## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Investors should also refer to the sections “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 119, 17 and 188, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- Largest recycler of aluminium alloys;
- Long-standing relationships with our customers;
- Leading supplier of liquid aluminium;
- Strategic alliances through joint ventures;
- Strong and diversified supplier base for sourcing raw materials;
- Our manufacturing facilities, technology, quality processes and engineering expertise; and
- Experienced and qualified management team backed by good governance standards.

For further details, see “*Our Business - Competitive Strengths*” and “*Risk Factors*” on pages 121 and 17, respectively.

### Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Statements. For details, see “*Financial Statements*” on page 188.

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

#### 1. Basic and Diluted Earnings Per Share (“EPS”) after taking into account the impact of issue of Equity Shares pursuant to the bonus issue

As per our Restated Unconsolidated Financial Statements:

Financial Year /period ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	1.94	1	1.82	1
March 31, 2016	4.03	2	3.79	2
March 31, 2017	25.48	3	23.98	3
<b>Weighted Average</b>	<b>14.40</b>		<b>13.56</b>	
Nine month period ended December 31, 2017 <sup>#</sup>	21.15		19.91	

<sup>#</sup>Not annualized

As per our Restated Consolidated Financial Statements:

Financial Year /period ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	(0.37)	1	(0.34)	1
March 31, 2016	1.00	2	0.94	2
March 31, 2017	29.55	3	27.61	3
<b>Weighted Average</b>	<b>15.05</b>		<b>14.06</b>	
Nine month period ended December 31, 2017 <sup>#</sup>	28.09		26.25	

<sup>#</sup>Not annualized

Note:

1. Basic EPS and Diluted EPS calculations are in accordance with the Ind AS 33 accounting standard and Rule 7, Companies (Accounts) Rules, 2014.
2. The face value of each Equity Share is ₹ 10.
3. The ratios have been computed as below:
  - a. Basic EPS (in ₹) = Net profit/(loss), after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period
  - b. Diluted EPS (in ₹) = Net profit/(loss), after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of dilutive equity shares outstanding during the year/ period

4. *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 fiscal*
5. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each fiscal / Total of weights*

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

Particulars	P/E (Unconsolidated)		P/E (Consolidated)	
	P/E at the Floor Price	P/E at the Cap Price	P/E at the Floor Price	P/E at the Cap Price
P/E ratio based on Basic EPS for the financial year ended March 31, 2018	[●]	[●]	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018	[●]	[●]	[●]	[●]

Industry P/ E ratio

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

## 3. Return on Net Worth (“RoNW”), after taking into account the impact of issue of Equity Shares pursuant to the bonus issue

As per our Restated Unconsolidated Financial Statements:

Financial Year /period ended	RoNW (%)	Weight
March 31, 2015	2.32	1
March 31, 2016	4.65	2
March 31, 2017	22.75	3
<b>Weighted Average</b>	<b>13.31</b>	
Nine month period ended December 31, 2017	15.88	

As per our Restated Consolidated Financial Statements:

Financial Year /period ended	RoNW (%)	Weight
March 31, 2015	(0.39)	1
March 31, 2016	0.99	2
March 31, 2017	21.93	3
<b>Weighted Average</b>	<b>11.23</b>	
Nine month period ended December 31, 2017	16.81	

Note:

RoNW = Net profit after tax, as restated for the year/ period, attributable to equity shareholders/ Net worth (excluding revaluation reserve), as restated, at the end of the year/ period

- \* *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each year] / [Total of weights]*

## 4. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2018

Particulars	At Floor Price	At Cap Price
<b>To maintain pre-Offer Basic EPS</b>		
On Consolidated basis	[●]%	[●]%
On Unconsolidated basis	[●]%	[●]%
<b>To maintain pre-Offer Diluted EPS</b>		
On Consolidated basis	[●]%	[●]%
On Unconsolidated basis	[●]%	[●]%

## 5. Net Asset Value (“NAV”) per Equity Share, after taking into account the impact of issue of Equity Shares pursuant to the bonus issue

Particulars	Consolidated (₹)	Unconsolidated (₹)
As at December 31, 2017 <sup>#</sup>	156.16	125.32
Offer Price	[●]	[●]

Particulars	Consolidated (₹)	Unconsolidated (₹)
After the Offer	[●]	[●]

<sup>#</sup>Not annualized

Note:

NAV = Net Asset Value, as restated, at the end of the period/ year/ Number of equity shares outstanding at the end of the year/ period

## 6. Comparison with Listed Industry Peers

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

## 7. The Offer Price will be [●] times of the face value of the Equity Shares

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

Investors should read the abovementioned information along with “Our Business”, “Risk Factors” “Management Discussion and Analysis of Financial Condition and Results of Operations”, and “Financial Statements” on pages 119, 17, 416 and 188, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

## 8. Bonus issue of Equity Shares

Our Company issued 18,370,125 Bonus Shares of ₹ 10 each, pursuant to a resolution of our Board dated May 14, 2018, in the ratio of three Equity Shares for every one Equity Share held. For details, see the section, “Capital Structure” on page 72.

## STATEMENT OF TAX BENEFITS

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

#### The Board of Directors

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

13/6 SSR Corporate Park,

8<sup>th</sup> Floor, Sector 27B

Delhi- Mathura Road

Faridabad

Haryana, India

Dear Sirs,

#### **Statement of Possible Special Tax Benefits available to Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) and its shareholders under the Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) (the “**Company**”), provides the possible special 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 2018, i.e. applicable for the Financial Year 2018-2019 relevant to the assessment year 2019-2020, presently in force in India. 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 and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and 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 proposed initial public offerings of the Company.
3. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Anil Gupta**

Partner

Membership No: 87921

Place: New Delhi

Date: June 8, 2018

## STATEMENT OF TAX BENEFITS

Outlined below are the possible special tax benefits which may be applicable to the Company and the shareholders of the company under the Income-tax Act, 1961 (Amended as per the Finance Act, 2018) (the “**Act**”) for Financial Year 2018-2019.

### A. **Special tax benefits to the Company under the Act**

1. Company has a unit in Integrated Industrial Estate, SIDCUL, Haridwar, India. Commercial production in the said unit commenced in Financial Year 2008-2009 (Assessment Year 2009-2010). On this unit, deduction under section 80IC of 30% of profits derived from specified undertaking can be claimed by the Company till Assessment Year 2018-2019 (tenth year for 80IC deduction). The tenure for claiming deduction under section 80IC on specified unit will get exhausted in Financial Year 2017-2018 (Assessment Year 2018-2019), and benefit of deduction under section 80IC would not be available for the specified unit from Financial Year 2018-2019 (i.e. Assessment Year 2019-2020) and thereafter.

Company is not availing any other special tax benefits under the Act.

### B. **Special tax benefits to the shareholders of the Company under the Act**

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

### **Note:**

- a. The above benefit is as per the prevailing Income Tax Act, 1961 as amended by Finance Act 2018.

## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from “Assessment of Indian Aluminium Recycling Industry”, dated May 2018 prepared and issued by CRISIL Research (the “**CRISIL Report**”) on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

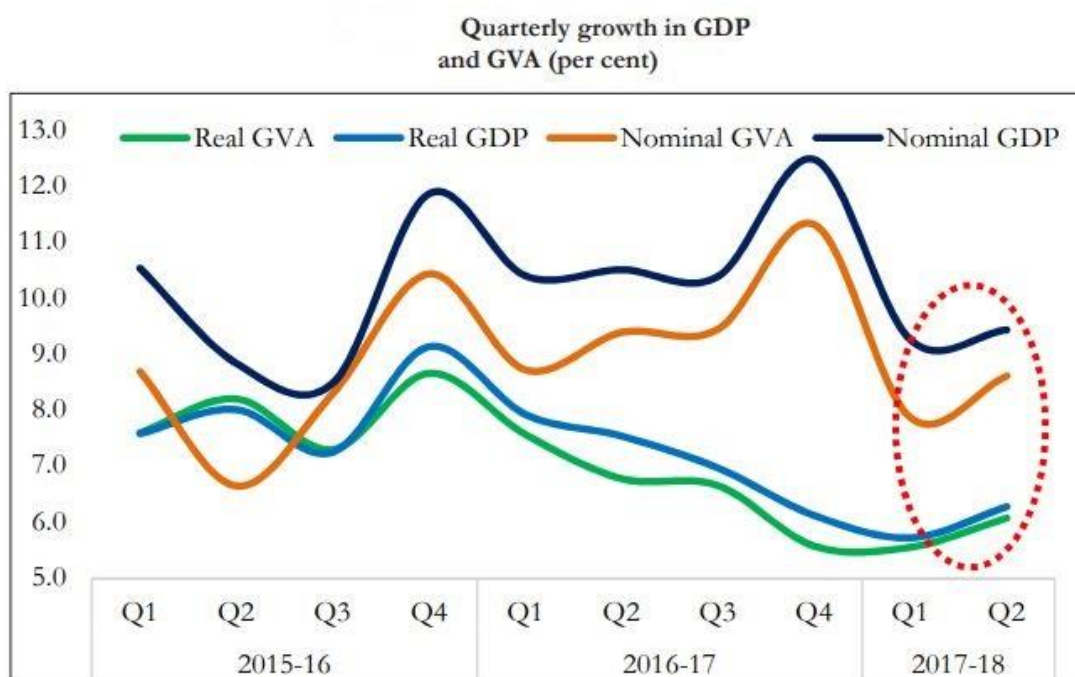
*The CRISIL Report contains the following disclaimer:*

*“CRISIL Research, a division of CRISIL Limited (“**CRISIL**”) has taken due care and caution in preparing this report based on the information obtained by CRISIL from sources which it considers reliable (data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the data/report and is not responsible for any errors or omissions or for the results obtained from the use of data/report. This report is not a recommendation to invest/disinvest in any company covered in the report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/users/transmitters/ distributors of this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division/CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

### OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

Fiscal 2018 was marked with strong macro-economic fundamentals. However, the growth of GDP moderated in 2017-18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking. Various economic reforms were undertaken in the year which include: implementation of the goods and service tax, announcement of bank recapitalization, push to infrastructure development by giving infrastructure status to affordable housing, higher allocation of funds for highway construction and greater focus on coastal connectivity. Further initiatives include: lower income tax for companies with annual turnover up to ₹ 500.00 million; allowing carry-forward of MAT credit up to a period of 15 years instead of 10 years at present; further measures to improve the ease of doing business; and, major push to digital economy. (Source: Macro Economic Framework Statement 2018, Ministry of Finance)

From a low of 5.5% in Fiscal 2013, growth in GDP steadily improved for three years and peaked in Fiscal 2016, particularly in fourth quarter (Q4) when it printed 9.1% (GVA growth also peaked in Q4 of Fiscal 2016). However, growth started slowing down from first quarter (Q1) of Fiscal 2017. GDP and GVA growth slowed to 6.1 % and 5.6% respectively in Q4 of Fiscal 2017. GDP growth further declined to 5.7% in Q1 of Fiscal 2018. However, the second quarter (Q2) of Fiscal 2018 witnessed reversal of declining trend of GDP growth, with growth increasing to 6.3%. The nominal GDP and GVA growth also picked up to 9.4% and 8.6%, respectively in Q2 of Fiscal 2018. (Source: Economic Survey 2017-2018, Ministry of Finance)



Source: Central Statistics Office (CSO)

The reforms measure undertaken in Fiscal 2018 can be expected to strengthen and reinforce growth momentum. The prospects for Indian economy for the year Fiscal 2019 need to be assessed in the light of emerging global and domestic developments. Indications are that global economic growth is expected to pick up slightly. This can be expected to provide further boost to India's exports, which have already shown acceleration in the current financial year. On the other hand, the increasing global prices of oil and other key commodities may exert an upward pressure on the value of imports. There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 11.5% in the financial year 2019. (Source: *Macro Economic Framework Statement 2018, Ministry of Finance*)

## INDIAN ALUMINIUM DEMAND REVIEW

### Overall aluminium sector demand review - Fiscal 2013 – Fiscal 2018

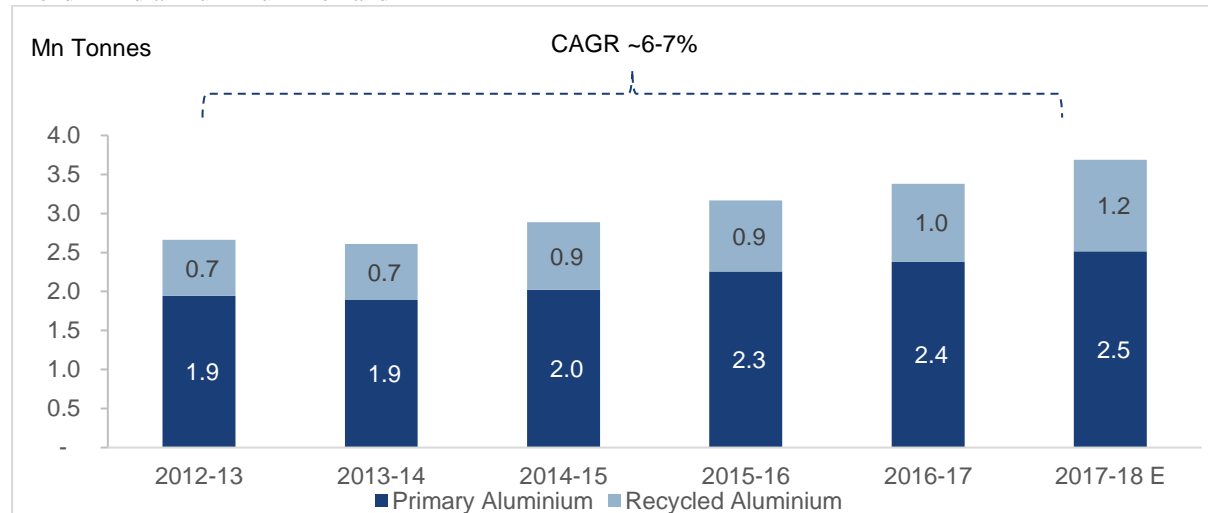
*Aluminium demand posted a healthy 6-7% growth during the past five-year period*

The Indian aluminium (including primary and recycled) industry is estimated to have grown at about 6-7% CAGR during Fiscal 2013 - 2018 period and reached approximately 3.7 million tonnes by March 2018.

Of the total volumes growth, the demand for primary aluminium is estimated to have grown by approximately 5% y-o-y and reached approximately 2.5 million tonnes by end of the Fiscal 2018. This growth was largely attributed to a modest growth in key end-use segment - power (cables and transmission lines). On the other hand, the demand for recycled aluminium is estimated to have grown at a relatively faster pace of approximately 10% CAGR during Fiscal 2013-2018 period reaching approximately 1.2 million tonnes by the end of Fiscal 2018, primarily led by healthy demand scenario for non-ferrous castings from auto sector. As a result, the share of recycled aluminium has gradually risen to an estimated approximately 32% in Fiscal 2018 from approximately 28% in Fiscal 2013.

The growth in overall aluminium demand was also supported by replacement of other non-ferrous or ferrous metals with aluminium in key end-use industries in the domestic market owing to better technical properties such as optimum strength to weight ratio, low melting point, corrosion resistance, better electrical and thermal conductivity, better recyclability etc., amongst others.

### Trend in India Aluminium Demand



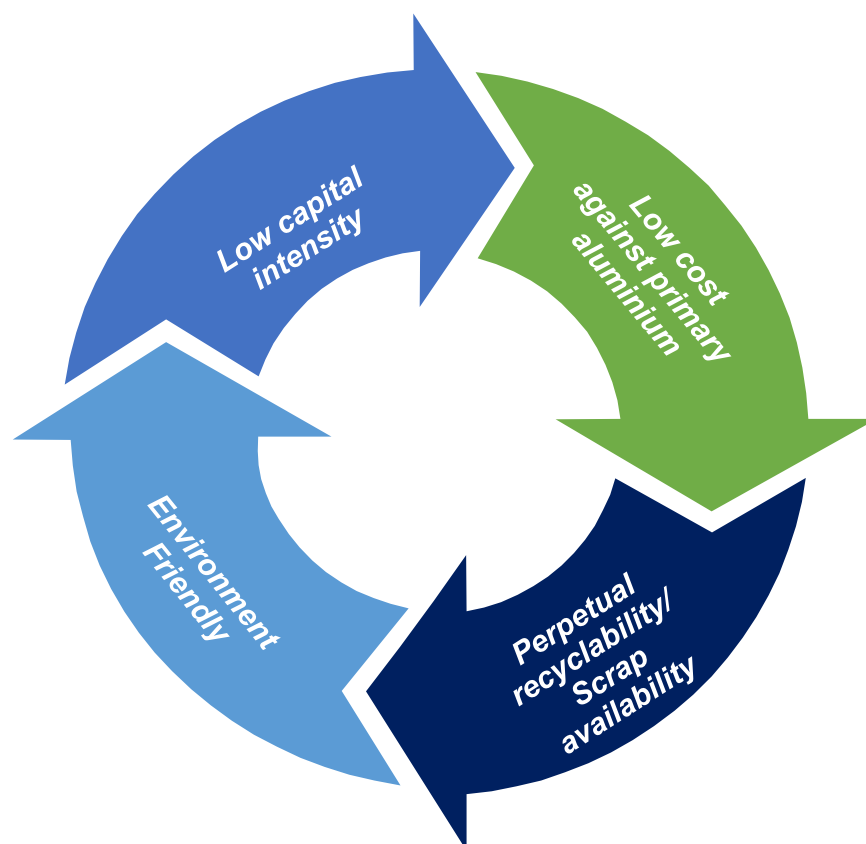
Note: E – estimated

Source: Industry, CRISIL Research

### Key advantages offered by recycled aluminium

The sharp growth in usage of recycled aluminium is primarily attributed to its better cost economics (compared to primary aluminium), better technical properties (compared to other metals), environmental benefits, and low capital intensity.

Key advantages of recycled aluminium



Source: Industry, CRISIL Research

- Low capital intensity



Manufacturing of aluminium through primary route involves bauxite mining, bauxite refining, smelting of alumina etc. These activities are capital as well as energy intensive. Setting up of a green-field refinery and smelter of a minimum economic size (typically one million tonne of refinery and approximately 0.5 million tonne for smelter) with a captive power plant require an investment of around ₹ 220.00-240.00 billion.

In comparison, manufacturing of aluminium through recycled route involves sorting and segregating scrap, melting of scrap, re-alloying, and casting into ingots. This process is carried out at a cost considerably lower than the primary aluminium owing to lower energy requirement. Moreover, setting up of a fully mechanised recycling unit of 1 million tonne capacity would cost typically between approximately ₹ 15.00-20.00 billion of investment.

- Low cost of production compared to primary aluminium

One of the major advantages of manufacturing aluminium through recycling is low production cost as against manufacturing through primary route. This low cost is attributed to significantly less energy requirements for manufacturing through recycling route than primary route. Also, pre-existence of required alloyed elements in aluminium scrap further reduces alloying costs.

- Perpetual recyclability and scrap availability

The inherent quality of aluminium is not affected by recycling and remains high irrespective of the number of recycling cycles. The other key characteristics that drives the demand for recycled aluminium is its perpetual recyclability, with an advantage of pre-existence of desired properties (as it is pre-alloyed specific to the end-use requirement, when in scrap form).

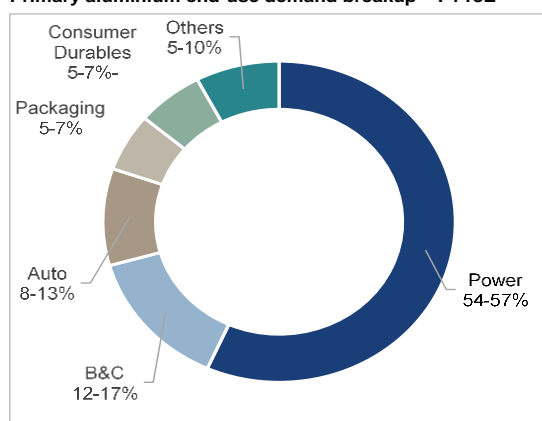
Additionally, aluminium scrap is estimated to be available in abundance globally, which further results in increased recycling of aluminium for key end-use products.

- Environment friendly

Manufacturing of primary aluminium consumes significant natural resources. As per industry estimates, every 1 tonne of aluminium manufactured through primary route consumes 4-6 tonnes of bauxite, 1-1.5 tonne of limestone, 20-22 cubic meter of water, and approximately 14,000 Kwh of power. In comparison, manufacturing of 1 tonne aluminium from the recycled route consumes aluminium scrap as a key raw material (saving natural resources) and consumes only 5-7% of the total power required for primary aluminium, thereby saving natural resources and being energy efficient. Furthermore, as per the Bureau of International Recycling (BIR), each tonne of aluminium ingots manufactured through primary route emits approximately 3,830 kg of CO<sub>2</sub>, as compared to emission of approximately 290 kg of CO<sub>2</sub> manufactured through scrap recycling.

## India Aluminium demand segmentation

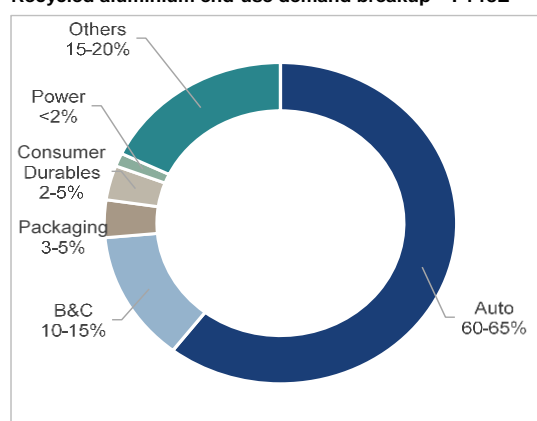
Primary aluminium end-use demand breakup – FY18E



Note: E- Estimated

Source: Industry, CRISIL Research

Recycled aluminium end-use demand breakup – FY18E



Note: E- Estimated

Source: Industry, CRISIL Research

## Key end-use segments and rationale for usage of aluminium:

- Power

Aluminium is primarily used in overhead conductors in transmission lines; transformer coils, bus bars and foil wraps for power cables etc. This usage is primarily driven by favorable strength to weight ratio, better conductivity and lower costs as compared to copper. Owing to this, of the aggregate aluminium volumes (both primary and recycled), power segment is estimated to have accounted for a lion's share of about 38-40% in Fiscal 2018.

Demand from power segment accounted for 54-57% of the total primary aluminium volumes, while it accounted for a negligible share in the recycled aluminium volumes (about 1%) on account of conductivity losses.

- Automotive

Within the automotive segment, aluminium is majorly used in cars, two-wheelers and commercial vehicles (both light, medium and heavy). The key components with aluminium penetration within the automotive space include engine components, gearbox, brake casings, radiators, cylinder heads, transmission housing, wheels, window frames and panels etc. Aluminium lowers the weight of the vehicles resulting into reducing fuel consumption, and thereby lower CO<sub>2</sub> emissions. Of the total casting requirement, recycled aluminium occupies a major share on account of better molecular properties owing to pre-existence of desired elements in the scrap.

Majority of the players in the automotive component space, however, prefer usage of recycled aluminium owing to better cost dynamics and inherent alloy properties, resulting into the segment accounting for 60-65% share in recycled aluminium volumes, as against approximately 10% share in the primary aluminium volumes.

- Building and construction ("B&C")

Aluminium finds its application in the segment for making of windows, door frames, roofing, partitions, false ceilings and other building hardware. Aluminium's light weight lowers the load on any construction, while the metal's strength lends durability. Its resistance to corrosion protects structures, especially those being built in regions with extreme weather conditions.

The share of B&C volumes in total primary and recycled aluminium accounted for approximately 14% and approximately 13% respectively. Typically, premium real estate players rely more on primary aluminium for their requirement.

- Consumer durables

Aluminium is used in appliances such as refrigerators, washing machine, air conditioners etc. The penetration is high in appliances such as air conditioners and washing machines. Low weight, thermal efficiency, corrosion resistance, and non-reactivity to chemicals favour the use of aluminium in this segment.

The demand from consumer durables in primary and recycled aluminium volumes is estimated to have accounted for approximately 6% and approximately 3% respectively in Fiscal 2018.

- Packaging

Most common applications within the segment include personal care products, pharmaceuticals, processed foods (soft drinks cans), containers and bottle caps. Laminated aluminium pouches (aseptic or retort pouches) are used to pack food products such as biscuits, confectionery, butter, oil, and beverages.

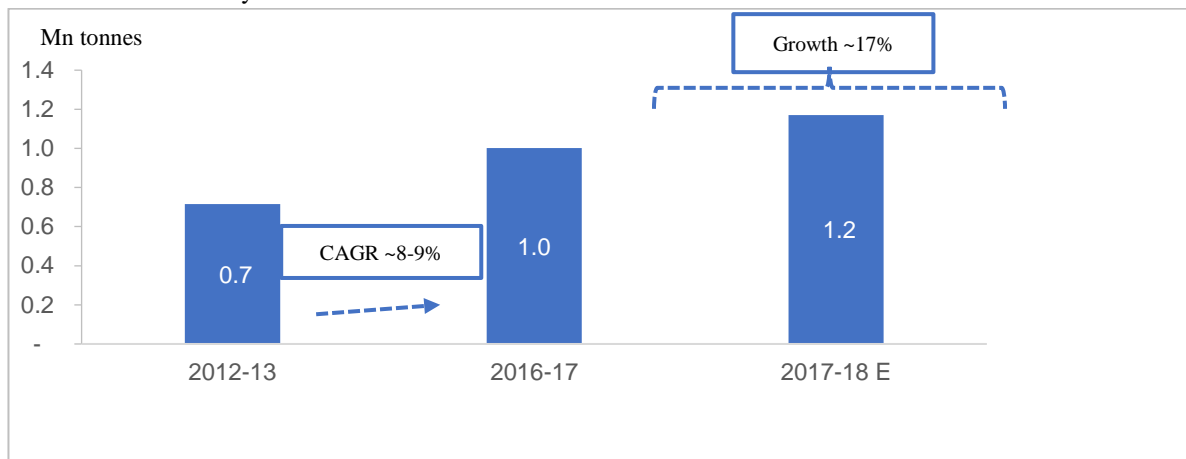
The demand from packaging segment in primary and recycled aluminium volumes is estimated to have accounted for approximately 6% and approximately 4% respectively in Fiscal 2018. In India, the penetration of aluminium in packaging segment is lower than global averages owing to high costs.

## RECYCLED ALUMINIUM DEMAND ASSESSMENT

### Recycled aluminium demand review: Fiscal 2013 – Fiscal 2018

*Recycled aluminium demand posted robust growth during past five years*

Trend in domestic recycled aluminium demand



Note: E – estimated

Source: Industry, CRISIL Research

During Fiscal 2013-2017 period, the demand for recycled aluminium (ingot equivalent) is estimated to have grown by approximately 9% CAGR and reached 1.05 million tonnes by Fiscal 2017. This was primarily supported by rising application of non-ferrous casting in auto sector coupled with higher usage in B&C segment.

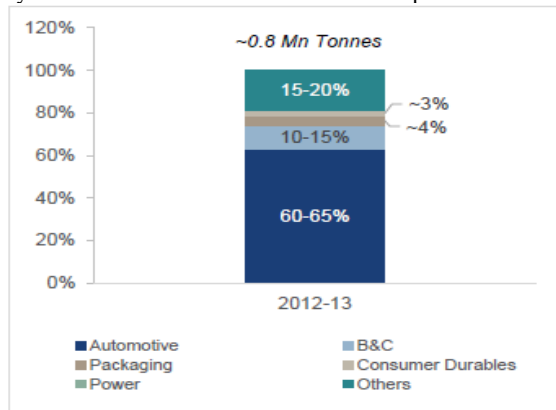
Further, in Fiscal 2018, the demand for recycled aluminium gained further steam and rose at approximately 17% y-o-y and reached approximately 1.2 million tonnes. This increased growth was primarily led by a sharp rebound in sales volumes of the automotive industry (which includes two wheelers, three wheelers, cars, utility vehicles and commercial vehicles, etc.), which is estimated to have grown at approximately 14% y-o-y during the year, as against approximately 7% CAGR during Fiscal 2013- Fiscal 2018 period.

The packaging segment too witnessed a faster growth (for recycled) during the year largely as a result of a healthy growth in key underlying industries such as food products, beverages and pharmaceuticals.

### Recycled aluminium demand segmentation

*Demand prospects for recycled aluminium closely linked to auto industry*

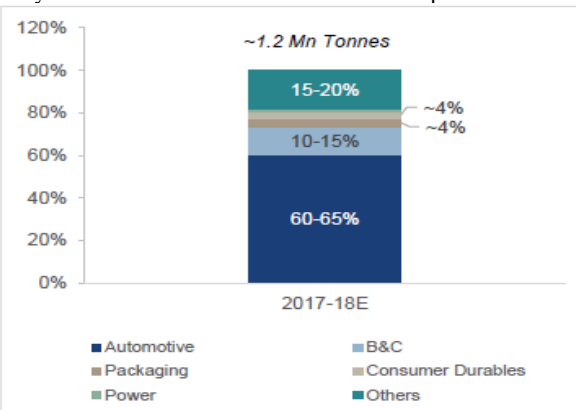
Recycled aluminium end-use demand breakup – Fiscal 2013



Note: E- Estimated

Source: Industry, CRISIL Research

Recycled aluminium end-use demand breakup – Fiscal 2018E



Note: E- Estimated

Source: Industry, CRISIL Research

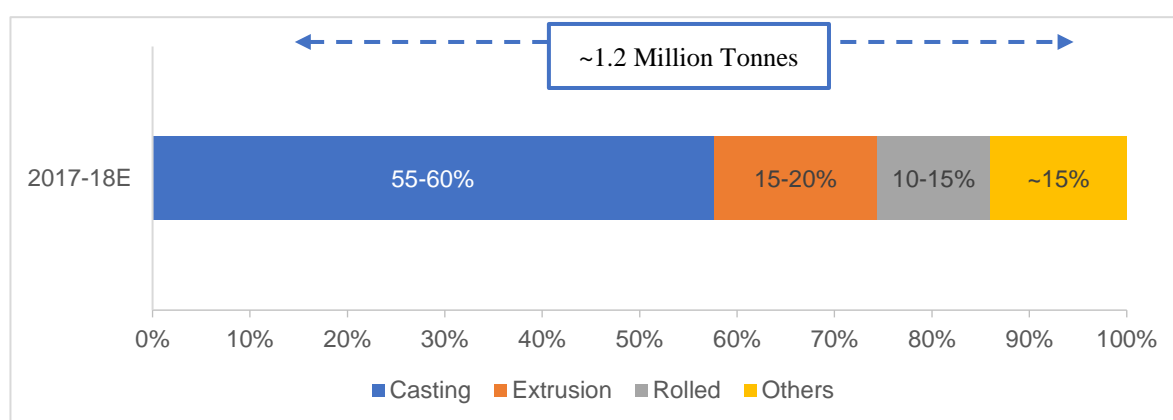
The automotive segment typically accounts for the largest share of approximately 60-65% of the total recycled aluminium sector. Within the automotive segment, the two-wheeler segment constitutes two-third of the non-ferrous casting, followed by 25-27% for passenger vehicles and approximately 4-5% in commercial vehicles.

The B&C segment accounts for approximately 10-15% of the overall recycled aluminium sector. The growth in demand from the sector has remained largely moderate following moderate growth in the underlying asset. Though, penetration of secondary aluminium has been increasing within the segment owing to several cost advantages.

The share of packaging segment remained largely stagnant at approximately 4%, while that of consumer durables witnessed a marginal improvement on the back of modestly rising sales volumes. The share of power segment continued to remain negligible over the years with primary aluminium finding higher application there.

*Product-mix of recycled aluminium largely dominated by casting*

#### **Secondary aluminium product-wise breakup – Fiscal 2018E**



Note: E – estimated

Source: Industry, CRISIL Research

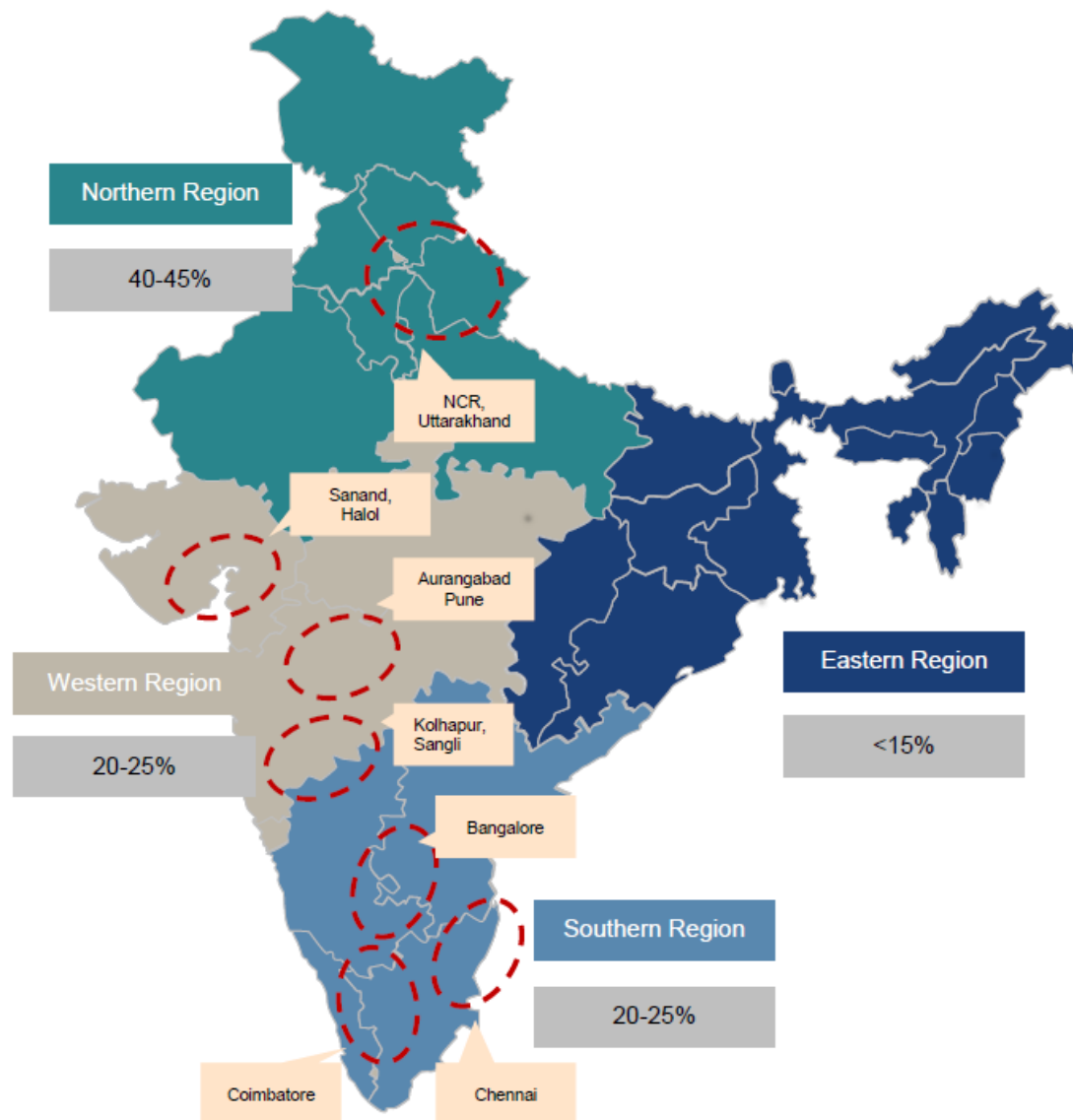
Of the total approximately 1.2 million tonnes of demand for recycled aluminium in Fiscal 2018, approximately 55-60% of the aluminium is estimated to have consumed in the casting form. Majority of the casting volumes was consumed in the automotive segment in manufacturing of various components such as engine blocks, transmission systems etc.

Extrusions, which finds its application in the B&C segment, is estimated to have accounted for approximately 15-20% of the total recycled aluminium volumes. Within the B&C segment, around 90% was estimated to have consumed in the form of extrusions.

Rolling products finds maximum application in automotive and packaging segments (to the extent of approximately 85-90% of total rolling volumes) and minimal into construction segment. In Fiscal 2018, the share of rolling products accounted for approximately 10-15% of the total recycled volumes.

## Regional split of recycled aluminium demand

**Pan-India recycled aluminium demand breakup – FY18E**



Note: E - estimated

Source: Industry, CRISIL Research

- Map not to scale

Of the total estimated demand for recycled aluminium of approximately 1.2 million tonnes in Fiscal 2018, majority of the demand (to the tune of approximately 40-45%) is concentrated in the northern region, followed by southern and western region. This is primarily on the back of key auto hubs/clusters in the NCR belt with key OEMs like Maruti Suzuki India Limited, Honda Cars India Limited, Hero Motocorp Limited etc. being situated there.

Auto clusters in Chennai, Coimbatore, and Pune etc. coupled with significant presence of extruders in the west and south aids a significant share of secondary aluminium in the region at 20-25% each.

The eastern region, however, with no major auto component belt has the lowest share of about 10-15% in Fiscal 2018. De-ox and utensils are key end-users in the eastern belt.

## Increasing demand for molten metal

Over the past few years, the demand from key end-use segments (particularly auto) is partially shifting towards molten form of aluminium, as against solid form. Although the molten metal constitutes a minor share in overall

demand (approximately 15-20%), the demand is estimated to have grown at a healthy pace owing to several advantages it offers.

### **Key advantages of molten metal**

- *Savings in melt loss (oxidation loss)*

Manufacturing of recycled aluminium through the molten route is estimated to result in savings of melt-loss to the extent of approximately 2-3% of the cost to manufacturers (recyclers), as against manufacturing through solid route. This supports higher demand in the molten form from the manufacturers.

- *Less energy requirement for recyclers*

Using aluminium in the molten form saves significant time and energy for the recyclers as they skip the re-melting process as in the case of solid ingots. This eventually helps component manufacturers optimise their operations.

- *Environmental savings*

Manufacturing of molten metal further leads to additional savings in the emission of greenhouse gases due to avoidance of the re-melting process, thereby containing the negative environmental impact as opposed to manufacturing through solid route.

- *Savings in operational and inventory carrying cost*

The component manufacturer can eliminate the need of having to set up re-melting arrangements, thereby saving many operational costs (such as interest, depreciation, man-power, electricity etc.). Further, molten metal is supplied Just-in-time, thereby saving storage costs due to lower inventories for manufacturers.

- *Quick turnaround time*

While solid aluminium ingots require some time to settle down and solidify in casters, molten metal does not require any settling time and is transported immediately post collecting the metal from the furnace. This in turn, results in increased frequency of supply dispatches as against in solid form.

### **Key challenges of molten metal**

- *Higher compliance requirement for transportation*

Transporting metal in the molten form requires recyclers to adhere to compliance guidelines prescribed by various authorities, including getting a special license for vehicles and making necessary arrangements. These arrangements come at relatively higher costs as compared to compliance required for transporting metal in solid form.

- *Transportation to be time-bound*

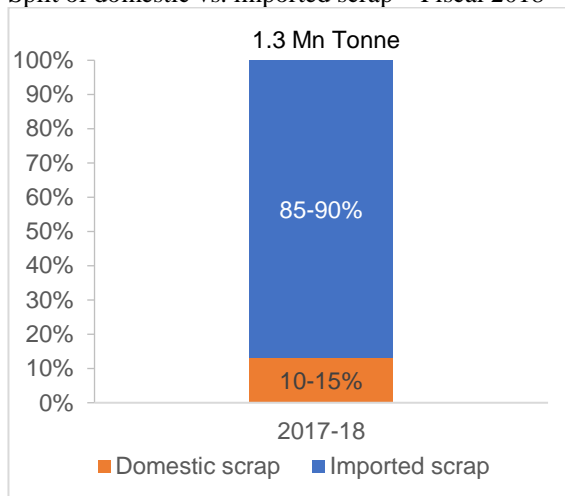
Transportation of metal in liquid form typically takes place for destinations within a 20-25 kilometre radius and travel time of not more than 45-60 minutes. Traffic congestions or vehicle failure may lead to solidifying of the metal (as it gets solidified below approximately 620-640° Celsius) and can potentially affect supplies.

Typically, the average realisation of molten metal tends to be marginally higher than solid ingots, thereby providing some incremental profitability benefit to both recyclers as well as casters.

## Aluminium scrap consumption mix

*Imported scrap accounts for majority of the recycling requirement*

Split of domestic vs. imported scrap – Fiscal 2018

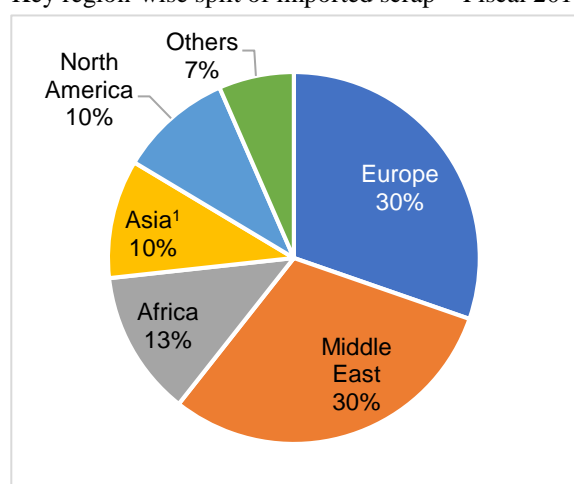


Note:

- i) Import figures of April-January 2018 are annualised for 12 months
- ii) Domestic scrap figures are estimated

Source: DGFT, CRISIL Research

Key region-wise split of imported scrap – Fiscal 2018



Note: 1 - Excluding South East Asian countries, Import figures considered are for April-January 2018 period only

Source: DGFT, CRISIL Research

India is heavily dependent upon imports for requirement of aluminium scrap with imports accounting for approximately 85-90% of the total scrap requirement in Fiscal 2018. Higher share of imported scrap is largely because of lack of an efficient ecosystem for scrap collection and processing facilities (such as scrap yards etc.). Also, a large chunk of scrap collected domestically is used in unorganised segments (such as utensil making).

Over the past five years (during Fiscal 2013- Fiscal 2018), aluminium scrap imports (net) grew by approximately 9% y-o-y and reached approximately 0.9 million tonnes (during April-January 2018). Majority of the scrap imported is deployed to the auto segment, given high growth of non-ferrous casting.

European and Middle East regions accounted for approximately 60% of the total scrap imports in Fiscal 2018. Within the European region, key countries include UK, Netherland and Germany, whereas key countries in the Middle East include Saudi Arabia, United Arab Emirates, Kuwait, Israel etc.

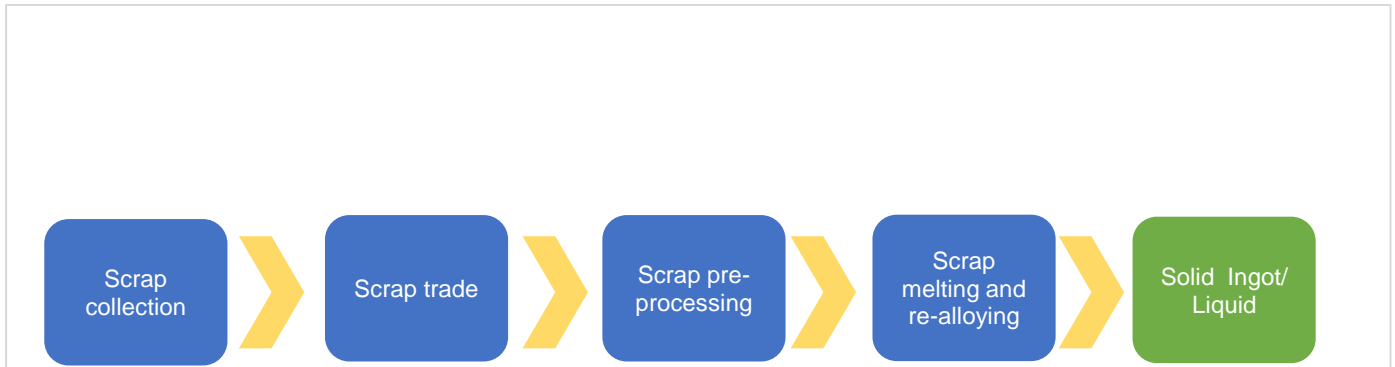
The top 10 exporting countries accounted for almost 70% of the total import volume. Majority of the scrap is imported through ports such as JNPT port (Mumbai), Chennai port and Mundra port (Gujarat).

Amongst the products being imported, Tense, Taint/Tabor, Tread, Twitch and Zorba are the top five grades constituting nearly three-fourths of total aluminium scrap imports over the past few years.

## Recycled aluminium industry structure

*Analysis of value chain in the recycled aluminium industry*

### Typical value chain of recycled aluminium industry



Source: Industry, CRISIL Research

- Scrap collection

For large scale shredding facilities scrap sorting is typically through magnetic and floatation techniques in order to separate non-ferrous scrap from the variety of scraps collected. Manual sorting also takes place to separate and obtain aluminium scrap from other valuable scrap such as copper, etc. especially in mid and small sized firms. Indian recyclers prefer to set up sourcing and processing facilities in multiple countries and in order to enjoy uninterrupted supply, better quality control and faster process. Scrap sorting is done into various categories as per guidelines laid by ISRI (Institute of Scrap Recycling Industries).

- Scrap trading

Categorization of scrap (defined on the basis on the source industry, components, types of aluminium and its content etc.) majorly determines prices of the scrap. Domestic scrap trading market is largely unorganised with players such as Mahakaal Metal Brothers, Adhunik Niryat Ispat, PG international etc. being few of the many players (import as well as domestic scrap trading).

- Pre-processing of scrap

The initial process within pre-processing include segregating of scrap as per various properties or alloy grade, followed by cleaning process as it is stored in open air, which exposes them to dust and other impurities. Post this, recyclers typically shred large and bulky pieces of scrap and impurities such as chemicals, oil and paints etc. are removed.

- Melting and re-alloying of scrap

While recyclers are able to remove majority of the impurities through the cleaning, sorting, and segregation process, some impurities such as iron or steel etc. continue to remain attached and the same are removed separately from the bottom of the furnace during the melting process. Scrap is loaded into the furnace using a charger and is heated on high temperature.

After melting of scrap, re-alloying is carried out based on certain specifications such as tolerance levels, proportions of various alloying elements, etc. as provided by the end-use client. In order to ensure that the final product meets the required specification, recyclers use quality control measures such as tensile strength testing, spectrometric analysis, and microscopic testing etc. As the required configuration varies from client to client, alloy manufacturers typically install furnaces with small capacities (approximately 5-10 tonnes/batch), enabling them to switch grades at any point of time during production.

- Casting into ingots or liquid form



This is the last stage in the value chain. Molten alloy metal is typically cast in the form of ingot, which is then supplied to clients. However, there has also been an increasing trend of supplying alloy metal in molten stage to the final consumer (typically auto component manufacturers) owing to several operational advantages to both the manufacturers as well as the consumer (by the way of eliminating re-melting process and reduced power and fuel consumption and other major operational costs).

*Key success and risk factors in recycled aluminium industry*

Key success factors include:

- *Strong demand growth*

The demand growth from recycled aluminium has outpaced the demand growth from primary aluminium, by growing at CAGR approximately 10% y-o-y (as against approximately 5% for primary aluminium) during Fiscal 2013-2018 period. This was largely supported by high growth from automotive and B&C segment volumes led by rise in penetration of recycled aluminium. This has led to the share of recycled aluminium reaching approximately 33% in Fiscal 2018, from approximately 28% in Fiscal 2013. Moreover, perpetual recyclability of the metal without any significant loss in metallic properties would continue to support growth in recycled aluminium demand.

- *Low capex requirement*

Though the capex requirement for setting up a recycling plant differs from plant to plant and by technology being installed, it is considered to be significantly lower than setting up a green-field primary aluminium plant.

- *Environment friendly*

As compared to manufacturing through primary route, recycling of aluminium consumes significantly less power (as low as 5-7% of the total energy requirement for primary aluminium). Each tonne of aluminium manufactured through recycling results in savings of approximately 5-6 MT of bauxite, 1-1.5 MT of limestone, 20-25 MT of water and approximately 14,000 kwh of energy (translates into approximately 95% of energy savings as per International Aluminium Institute). Also, one tonne of aluminium manufactured through recycling process results in savings of approximately 3,500 kilograms of carbon dioxide emission (as per the BIR).

- *Perpetual recyclability and scrap availability*

The inherent quality of aluminium is not affected by recycling and remains high irrespective of the number of recycling cycles. The other key characteristics that drives the demand for recycled aluminium is its perpetual recyclability, with an advantage of pre-existence of desired properties (as it is pre-alloyed specific to end-use requirement when in scrap form).

Additionally, aluminium scrap is estimated to be available in abundance globally, which further results in increased recycling of aluminium for key end-use products.

Key risk factors include:

- *Heavy dependence on imports*

Scrap imports account for approximately 85% of the total raw material requirement. This exposes recyclers to several risks such as currency fluctuations, volatility in prices of scrap globally, upfront cash payment for settlement of trades (leading to working capital crunch), higher turnaround time etc. Also, with high reliance on imports, any potential upward revision in duty structure (for scrap) may impact recyclers' profitability negatively.

- *High material cost*

Raw material cost (scrap) typically accounts for approximately 85-90% of the total cost (inclusive of all taxes and duties), which is considerably high for any given industry and thereby has a high bearing on recycler's profitability.

- High reliance on unskilled labour

The aluminium scrap recycling business in India is typically highly labour intensive and majority of the labour force involves unskilled daily-wage workers being employed to sort/clean/segregate the scrap. Also, majority of the manufacturers (especially small and mid-sized players) prefer to operate semi-mechanised plants in order to save on capex costs. This heavy reliance on unskilled labour as against investment into mechanised operations results in loss of productivity as well as lack of quality control, compared to large players.

- Unorganised nature of the industry

Aluminium recycling industry is highly fragmented and unorganised with most companies being run as family enterprises/proprietorships having regional presence, with the exception of our Company. This leads to high degree of competitiveness which results in low bargaining power of majority of the recyclers (small scale players).

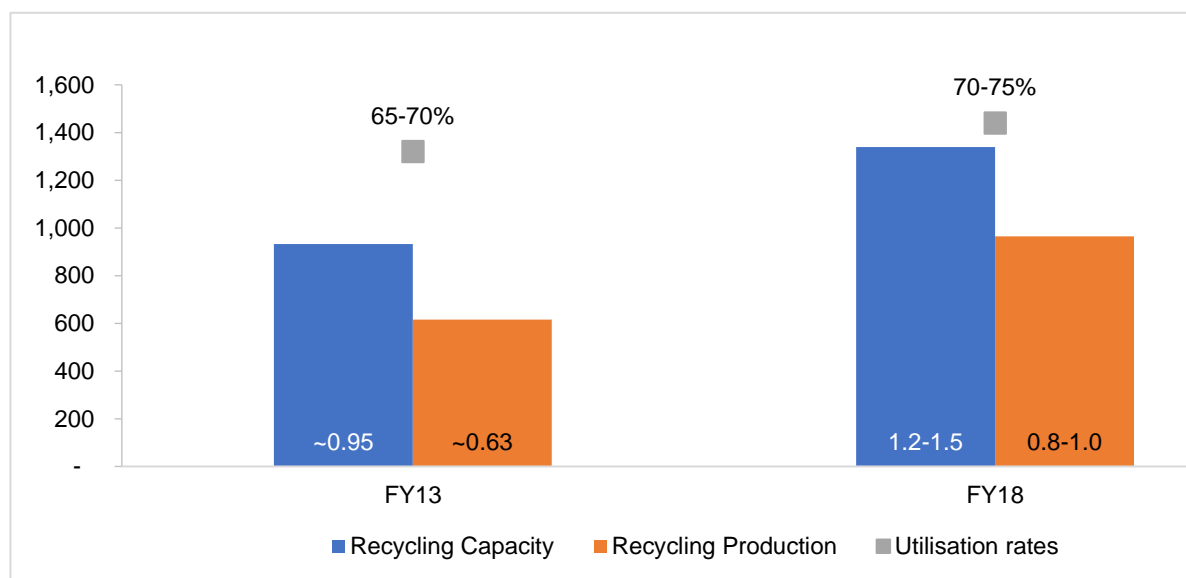
- Risk of impurities

Presence of impurities in recycled aluminium could pose serious threat to all major end-use industries such as packaging, automobiles, B&C as well as consumer durables.

## RECYCLED ALUMINIUM SUPPLY LANDSCAPE

### Recycled aluminium capacity review

Trend in recycling capacities and production



Note: Figures are estimated

Source: Industry, CRISIL Research

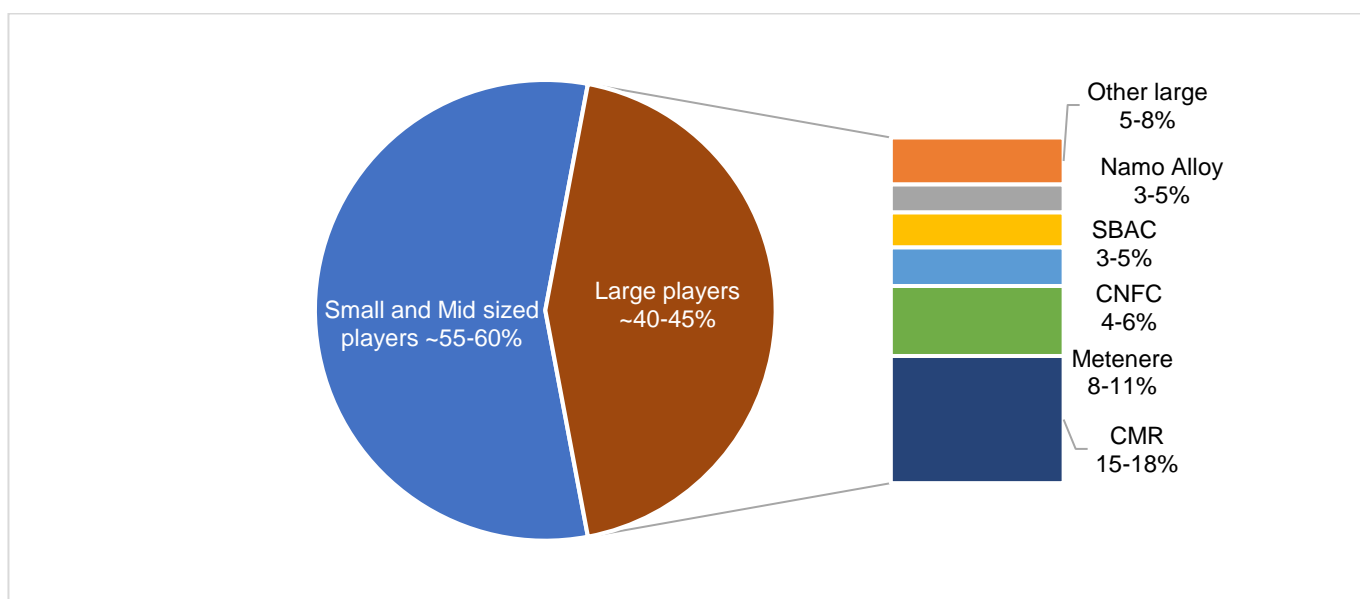
The total recycling capacity in India is estimated to have grown at a pace of approximately 7% CAGR over the past five year period and touched an estimated 1.2-1.5 million tonnes in Fiscal 2018. Capacity additions continued to rise led by healthy demand growth. The overall recycling output is estimated to have grown at a relatively faster pace of approximately 9-10% CAGR and reached 0.97 million tonnes in Fiscal 2018 following growth from key end-use industries, especially auto and B&C.

With production growth outpacing capacity growth, average operating rates for the industry is estimated to have improved to approximately 70-75% in Fiscal 2018, as compared to approximately 65-70% estimated in Fiscal 2013.

Our Company, with capacity addition of 90 KTPA, was the largest contributor in the incremental capacity over the past five years from the organised segment. Aggregate capacity of small and mid-sized players (including unorganised players) is also estimated to have grown over the years and accounted for at approximately 55-60% of the total installed capacities by the end of March 2018.

### Supply analysis of recycling industry

#### Split of large Vs. small/medium players and respective share of large players in capacities (overall recycling industry)



Note:

- CMR – Century Metal Recycling, CNFC – Century NF Casting, SBAC – Shree Balaji Alumnicast
- Large players are defined as players with an annual capacity of 40K tonne or higher
- Share is calculated basis estimated installed capacity for Fiscal 2018

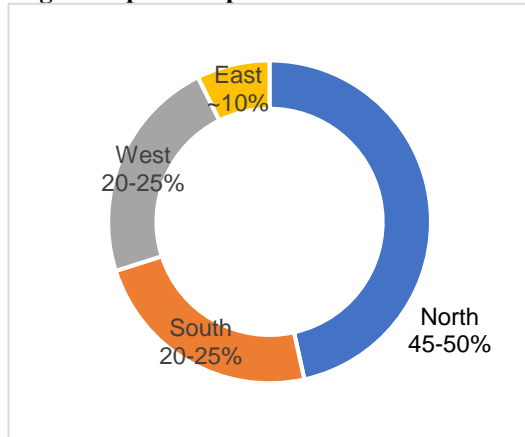
Source: Industry, CRISIL Research

Indian recycling industry is largely dominated with small and medium players, commanding around approximately 55-60% of the aggregate supply estimated for Fiscal 2018, while large players accounted for the remaining approximately 40-45%. Better economies of scale, steady order book, large client pool, mechanised operations, technological advancement and better productivity are some of the characteristics exhibited by large players operating in the industry.

Moreover, large players tend to have well diversified geographical presence with plants at multiple locations against single location plants of small and medium players having regional presence. This enables large players to hedge against any risk of demand volatility in any of the regions/cluster.

Majority of the larger players (such as CMR, CNF casting and SBAC etc.) have significant presence in the key auto clusters.

### Regional split of capacities installed – Fiscal 2018



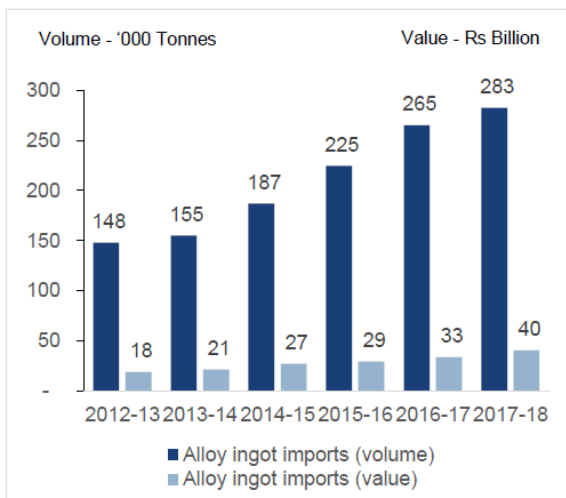
Note: E – Estimated

Source: Industry, CRISIL Research

North houses 45-50% of the country's secondary aluminium recycling capacity led by close proximity to key demand center - NCR auto cluster. This is followed by the western and southern region at approximately 20-25% each. While majority of the recyclers located in northern region cater to the auto segment, recyclers in western and southern region have diversified offerings to auto, B&C and consumer durables segment. Eastern region, however, accounts for less than 10% of the total capacities. Recyclers in the region largely cater to de-ox (deoxidizer) segment (with steel plants present in the region) as well as utensils manufacturing.

### Imports of alloy ingots

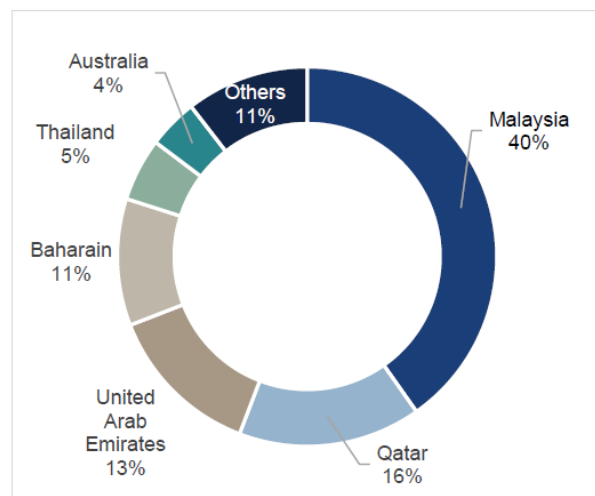
#### Trend in alloy ingot imports FY13-FY18



Note: i) 2017-18 import figures are annualised for April-January 2018 data  
ii) Imported alloy include both primary as well as secondary aluminium

Source: DGFT, CRISIL Research

#### Key country-wise split of imported alloy ingots – FY18



Note: 2017-18 import figures are for April-January 2018 data

Source: DGFT, CRISIL Research

Over the past five years, imports of aluminium alloy ingots rose at approximately 14% CAGR to reach approximately 0.3 million tonnes by the end of Fiscal 2018. This was higher as compared to growth in overall recycled aluminium demand, which grew by approximately 10%, during the period. Of the total alloy ingots being imported, approximately 65-70% is estimated to be classified as recycled alloy ingots. These volumes largely consist of auto grade ingots and is typically imported by auto component manufacturers having plants nearer to port, especially in southern region. Imports of alloyed ingots (adjusted for recycled volumes) is estimated to have accounted for approximately 15-20% of the total recycled aluminium ingots demand in Fiscal 2018.

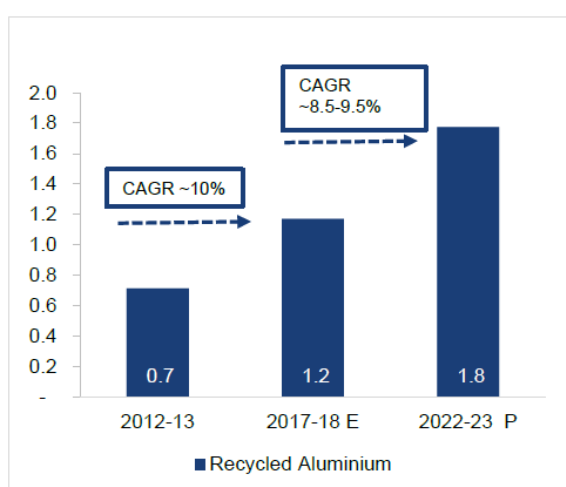
In terms of value, however, imports rose by approximately 17% CAGR reaching approximately ₹ 40.00 billion in Fiscal 2018, marginally higher on account weakening of currency (INR) to the extent of approximately 2-3% CAGR, while prices in the international markets remained modest.

Malaysia is the largest exporter to India with share of approximately 40% in overall alloy ingot imports to the country in Fiscal 2018, followed by Qatar, UAE and Bahrain. Together, the top six exporters accounted for approximately 90% of the total volumes imported during the year. Higher share of imports from Malaysia and Thailand is attributed to India's free trade agreement with these countries, which leads to import of ingots at highly competitive prices. Though, the benefit is partially offset to the extent of relevant freight charges. Majority of the import are consumed in the southern region because of absence of any major organised player.

## RECYCLED ALUMINIUM DEMAND OUTLOOK

### Demand growth trajectory to remain intact throughout FISCAL 2018-2023 period

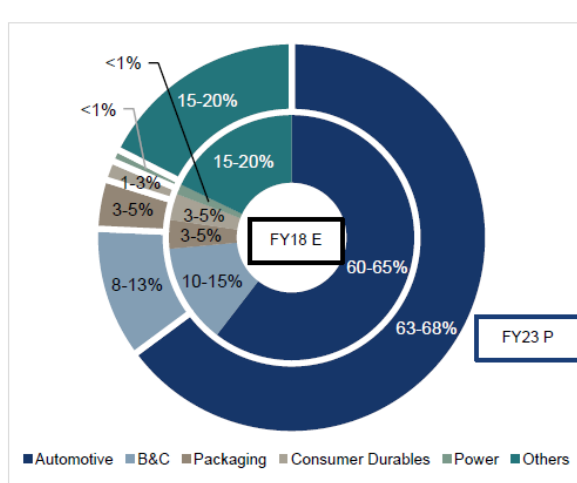
**Trend in recycled aluminium demand**



Note: E – Estimated, P – Projected

Source: Industry CRISIL Research

**End-use segment split of recycled aluminium demand**



Note: E – Estimated P – Projected

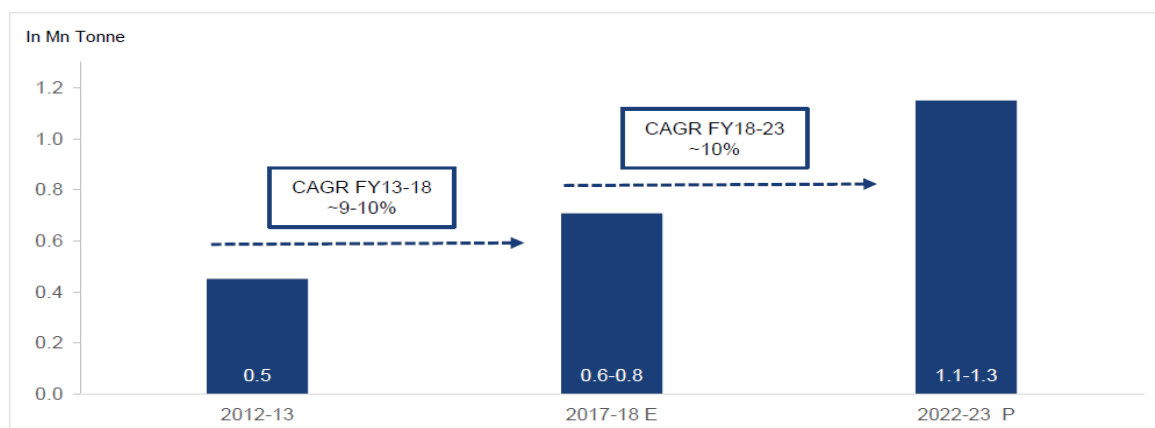
Source: Industry, CRISIL Research

Over the next five year period (Fiscal 2018 – 2023), the overall recycled aluminium demand is expected to continue its healthy growth trajectory and witness a CAGR of approximately 8.5-9.5%, thereby reaching approximately 1.7-1.9 million tonnes by Fiscal 2023.

The growth in recycled aluminium demand will continue to outpace primary aluminium demand growth, largely on account of anticipated healthy volumes in key end-use industries as well as increased intensity of recycled aluminium in a few applications. As a result, the share of recycled aluminium is expected to steadily increase and reach approximately 33-34% of the total aluminium demand in India, from an estimated approximately 32% in Fiscal 2018.

## Key end-use industry-wise demand growth: Automotive

### Trend in recycled aluminium demand from automotive segment



Note: E – Estimated, P – Projected

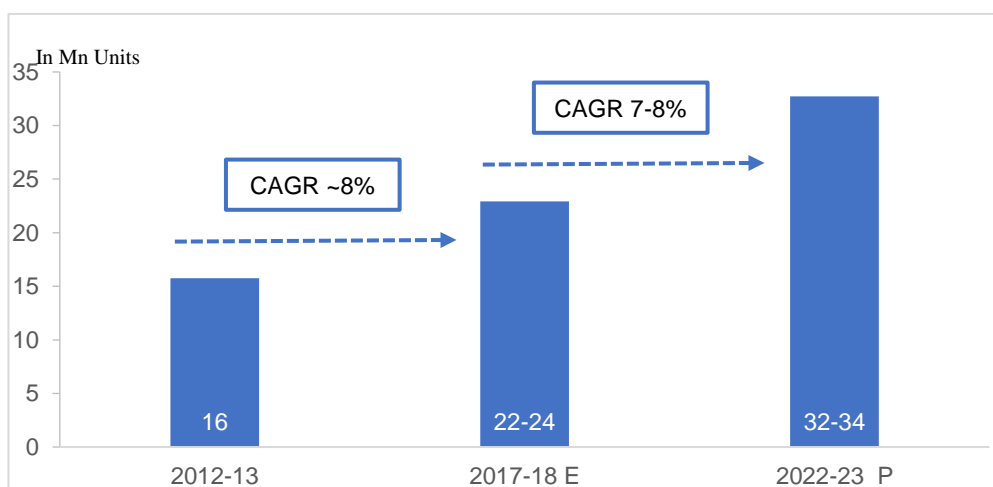
Source: Industry, CRISIL Research

Amongst major key end-use industries, demand from the automotive industry (which forms a large share of total volumes) is expected to drive majority of the recycled aluminium demand throughout Fiscal 2018-2023 period. The demand from automotive segment is expected to witness a CAGR of approximately 10% and reach 1.1-1.3 million tonnes by the end of Fiscal 2023.

This healthy demand growth would emanate from a healthy rise in vehicle production, especially of two wheelers, cars, utility vehicles and commercial vehicles, over the next five years following expected improvement in macroeconomic scenario, steadily rising disposable incomes etc. The total automobile production during Fiscal 2018-2023 period is expected to witness a CAGR of approximately 7-8% and reach approximately 43 million units by the end of Fiscal 2023.

Moreover, increased preference for recycled aluminium by component manufacturers to further aid rise in intensity, thereby supporting demand growth from the sector. As a result, the automotive segment will continue to occupy the largest share in overall recycled aluminium demand and will account for approximately 63-68% by Fiscal 2023, higher than Fiscal 2018.

### Trend in two wheeler production in India



Note: E – Estimated, P - Projected

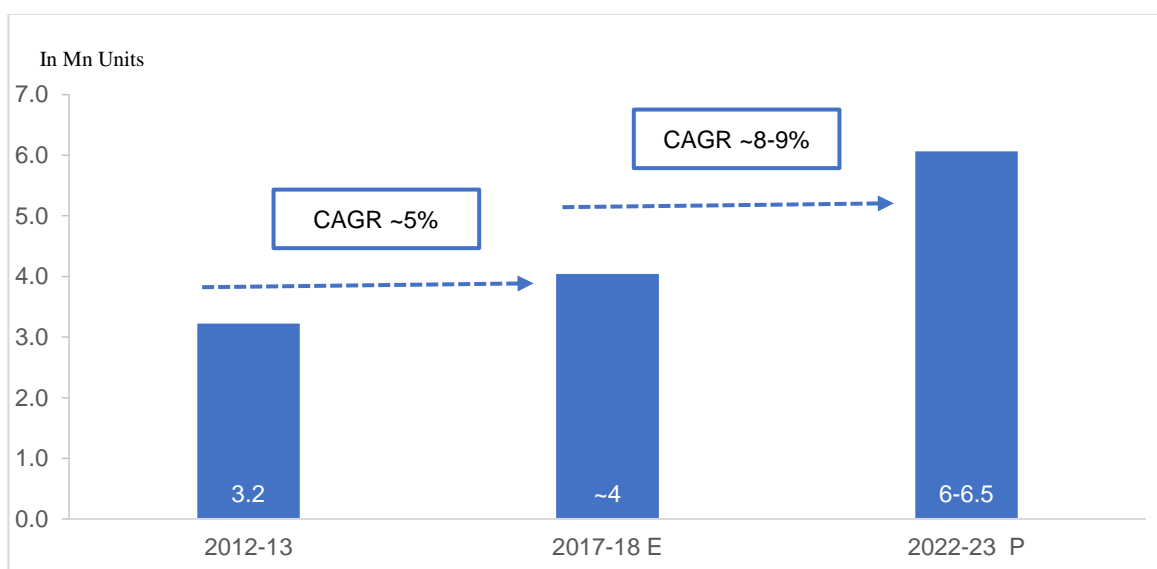
Source: Industry, CRISIL Research

During Fiscal 2018-2023 period, the domestic two-wheeler demand is expected to witness a healthy growth of approximately 7-8% CAGR, driven by growth in under-penetrated rural market following anticipated rising income. Within the segment, demand from scooter sales are likely to grow at a higher pace than motorcycles over the next five years, due to changing consumer preferences, which is likely to support higher recycled aluminium usage. Increased focus of manufacturers on expanding into rural markets, expansion of the distribution network and new model launches will push volumes for scooters going forward. Although the implementation of BS-VI norms in 2020-21 might impact the growth trajectory, the overall growth will remain largely intact during five year period.

Exports, on the other hand, will also continue to witness a steady rise with strong demand from regions such as Latin American and Asian markets, which will support production growth going forward.

Along with healthy rise in production, average intensity of recycled aluminium per two-wheeler is also expected to grow steadily, thereby driving overall demand from the two-wheeler segment.

### Trend in passenger vehicle production in India



Note: E – Estimated, P - Projected

Source: Industry, CRISIL Research

Going forward, during Fiscal 2018-2023 period, passenger vehicle production is expected to witness a strong growth of approximately 8-9% CAGR and reach approximately 6-6.5 million units domestically, following healthy demand scenario. This will be led by continued improvement in macroeconomic situation, a gradual rise in disposable incomes and relatively stable cost of ownership owing to anticipated stable fuel oil prices. Moreover, factors such as under-penetration, increased urbanisation, payout commissions and easy access to finance will further support volumes growth within the segment.

The Government of India has through the Ministry of Heavy Industries released the Automotive Mission Plan 2016-26 (“AMP 2026”). The objective of AMP 2026 is to propel the Indian Automotive Industry to be engine of the 'Make in India' programme. The automotive sector is likely to contribute in excess of 12% of India's GDP. It also seeks to increase net exports of Automotive Industries several fold. It is envisaged that Indian Automotive Industry will grow 3.5-4 times in value terms from its current output of around ₹ 4,64,000 crores (circa 2015) to around ₹ 1,616,000 – 1,888,500 crores by 2026. (Source: Automotive Mission Plan 2016-26)

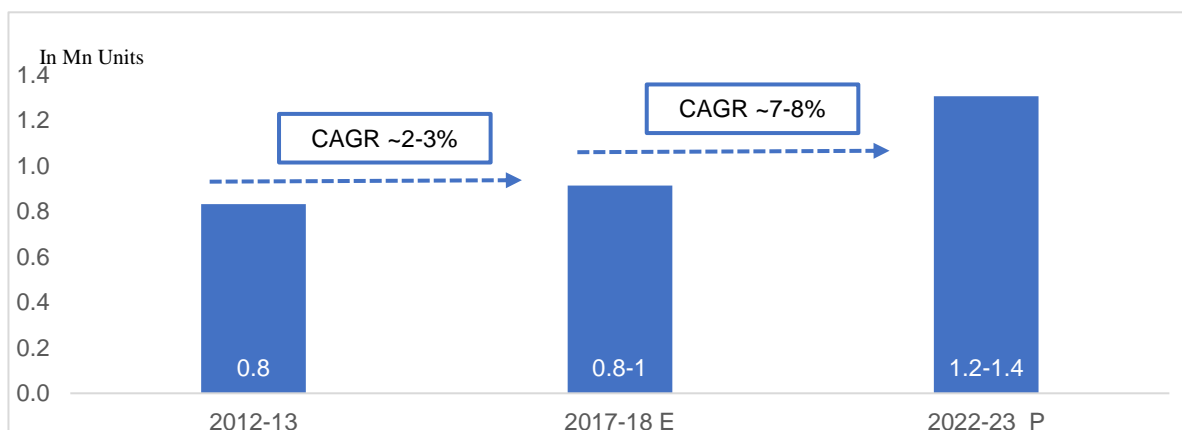
For achieving the said objective, AMP 2026 seeks to rationalize customs duties on all raw materials, allow weighted tax deduction for Research and Development expenditure and also follow end of life policy. End of life policy for automotive vehicles and components aims to put in place a policy to retire older vehicles and components with vehicles scrapping centers in selective areas. Following this, it is expected that the availability of aluminium scrap within the country will increase thereby reducing the dependence on import for the same. (Source: Automotive Mission Plan 2016-26)

Growth in exports is also expected to remain healthy as OEMs aim to increase their penetration in key exports markets and demand scenario globally recovers over the next five years.

Furthermore, with OEMs looking to optimise vehicle's weight-strength ratio in order to increase fuel efficiency, aluminium demand is likely to propel over the medium to long term. With cost differential between primary and recycled aluminium to be in favour of the latter, along with the benefit of pre-existence of desired chemical properties, the recycled aluminium intensity is expected to witness a steady growth as well.

Moreover, increased focus on electric vehicles by the government will further support the demand for aluminium from the automotive industry, as aluminium is estimated to have been used extensively in electric vehicles for light weighting.

#### **Trend in commercial vehicle production in India**



Note: E – Estimated, P – Projected, CV segment includes LCV and MHCV vehicles

Source: Industry, CRISIL Research

Over the Fiscal 2018-2023 period, production of commercial production (LCV and MHCV) is expected post a CAGR of approximately 7-8% and reach 1.2-1.4 million units by the end of Fiscal 2023, following strong demand.

Demand from MHCV segment is likely to grow at a healthy pace following anticipated increase in industrial activity, steady agricultural output, and the government's increased focus on infrastructure development (especially roads). Further, demand is also expected to be supported with replacement of vehicles under public transportation by the government in the medium to long term.

LCV demand is expected to grow at a relatively faster pace Fiscal 2018 to 2023, due to higher consumption expenditure and improved finance availability. Moreover, low-cost mobility for rural areas being planned under Pradhan Mantri Gramin Parivahan Yojana to aid volumes of buses under LCV segment.

Along with rising production, a moderate rise in intensity over the next five year period will further drive overall demand for recycled aluminium from the sub-segment.

#### **B&C segment:**

Within the B&C segment, a steady growth in construction activities (including residential and commercial) following increased focus by the government on infrastructure development over the medium to long term, which will drive investments. Demand from housing sub-segment (which consumes large share of aluminium within B&C) will be led by increased urbanisation, higher government investment in rural and semi-urban housing projects (such as affordable housing) and overall improvement in macro-economic scenario going forward.

This would lead to a steady growth of approximately 4-5% CAGR in demand of recycled aluminium within the B&C segment during Fiscal 2018-2023 period. As result, the segment would constitute approximately 8-13% in the overall recycled aluminium demand by the end of fiscal 2023.

#### **Consumer durables segment:**



Demand from consumer durables segments is expected to witness a healthy growth of approximately 10-11% CAGR during Fiscal 2018-2023 period. This will largely be led by around similar growth anticipated in sales volumes of key products viz. television, refrigerator and washing machine (together accounting for approximately 75% of consumer durable volumes) in the range of 6-10%. The average recycled aluminium intensity, will however, remain stable as penetration levels are estimated to have reached optimum levels.

***Packaging segment:***

Demand from the packaging segment, too, will grow at a robust pace of approximately 10% CAGR during Fiscal 2018-2023 following an anticipated healthy growth in key underlying end-use segments such as beverages, pharmaceuticals etc. However, recycled aluminium demand from the segment will continue to account for a minor share in overall recycled aluminium demand.

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements and also the sections “Risk Factors” on page 17, “Financial Statements” on page 188 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 416 for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our financial year ends on March 31 of each year, so all references to a particular financial year/ Fiscal are to the twelve-month period ended March 31 of that year.*

*Unless otherwise indicated or the context requires otherwise, financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.*

### Overview

We are the largest recycler in the aluminum recycling industry in India according to the CRISIL Report. We are focused on processing aluminium based metal scrap to manufacture aluminium alloys and supply them in liquid form and in the form of solid ingots. Our Company has, from Fiscal 2013 to 2018, grown at an effective CAGR of 13% on the basis of sales volume, compared to an aggregate recycled aluminium growth of approximately 10% CAGR, and currently occupies an estimated market share of approximately 40 - 45% in north India and approximately 15 - 20% in south India, resulting in an overall market share of approximately 21% in the automotive segment of recycled aluminium industry in India (*Source: CRISIL Report*). Since Fiscal 2013 until Fiscal 2018, our annual installed capacity has grown by approximately 70%, from 128,000 MT to 218,000 MT, making us the fastest growing producer of aluminium alloys in India. We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. Over the years, we have endeavored to set industry standards in relation to the technology employed and the quality of products supplied to our customers such as the supply of liquid aluminium.

We primarily cater to the automotive manufacturing sector in India, specifically in the passenger vehicle, two-wheeler and die casting segments. We supply our products to OEMs and Tier 1 companies in the automotive manufacturing sector in India. Tier 1 companies are companies that directly supply to OEMs. Some of our OEM customers include Maruti Suzuki India Limited, Honda Cars India Limited, Honda Motorcycle and Scooter India Private Limited and India Yamaha Motor Private Limited, while our customers, who are Tier 1 companies include Rockman Industries Private Limited, Sunbeam Auto Private Limited, Rico Auto Industries Limited, Minda Industries Limited, Minda Corporation Limited, Jaya Hind Montupet Private Limited, Nemak Aluminium Casting India Private Limited, Toyota Industries Engine India Private Limited, Ahresty India Private Limited and ASK Automotive Private Limited, among others.

We operate through our seven manufacturing facilities, with a combined annual installed capacity of 218,000 MT, as on March 31, 2018, the largest in the domestic automotive aluminum recycling industry, as per the CRISIL Report. Our installed capacities accounted for approximately 16% of the aggregate estimated installed recycling capacities domestically, as of March 2018, as per the CRISIL Report. These manufacturing facilities are present in some of the key auto clusters in north India and south India. Four of these facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities are situated at Haridwar, Bhiwadi and Chennai, in the states of Uttarakhand, Rajasthan and Tamil Nadu, respectively. Our manufacturing facilities are strategically located close to our customers’ manufacturing facilities allowing us to optimise our deliveries, reduce lead times and facilitate greater interaction with our customers. These manufacturing facilities employ modern equipment such as shredders, regenerative burners, baghouses, pump furnaces and de-coaters, rotary sieves, gravimetric separation and eddy current separators, among others.

We were one of the initial suppliers of liquid aluminium and occupied approximately 70% of the market share in liquid aluminium space in Fiscal 2018, as per the CRISIL Report. We started supplying liquid aluminium, through our manufacturing facilities situated adjacent to the premises of our customers in September 2008, and through road transport in November 2013. There is an increasing trend of supplying liquid aluminium to the customers owing to several operational advantages to the suppliers as well as the customers and in order to keep abreast with this trend, we have been focusing on supplying liquid aluminium to our customers. For instance, in addition to saving inventory handling costs, supply of liquid aluminium eliminates the re-melting process thereby minimising oxidation losses and reducing power and fuel consumption for our customers. Our strategically located

manufacturing facilities allow us to supply liquid aluminium to our customers, in side by side facilities and, to customers located up to a distance of 20 - 25 kilometers, over the road, using specialized containers and specially designed trucks, thereby enabling us to not only adhere to their round the clock delivery schedules but also develop interdependence between us and our customers. We have, in the past, achieved up to 99 deliveries of liquid aluminium in a single day to one of our customers.

In order to strengthen our business operations in India, we entered into joint venture agreements with two Japanese aluminium alloy manufacturers, Nikkei and Toyota Tsusho to leverage the combination of their technology with our own existing know-how and manufacturing capabilities for providing innovative and superior quality products to our customers. Accordingly, in the year 2012, we set up our Subsidiaries, CMRN in Bawal, Haryana, where we presently hold 74% stake, and CMRT in Chennai, Tamil Nadu, where we presently hold 90% stake, in partnership with Nikkei and Toyota Tsusho, respectively. Pursuant to these arrangements, we started supplying liquid aluminium through road transport to our customers in November, 2013. We also intend to capitalise on our strong relationships with our joint venture partners by foraying into geographies where we have potential for further penetration. For instance, we are in the process of commissioning a new manufacturing facility in Gujarat through CMRN. Additionally, we are in the process of establishing a new facility in Chennai through CMRT to cater to the increasing demand of liquid aluminium in southern India.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Draft Red Herring Prospectus, certain of our manufacturing facilities have accreditations such as the TS 16949:2009 for quality management systems, ISO 14001:2015 for environmental management systems and OHSAS 18001:2007 for occupational health and safety management systems. Further, our Company has recently received the 'Best Recycler Award' from Mtlx in 2017. We have also received various awards from our customers over the years such as the 'Best Debutant Supplier Award', 'Best Supplier Award', 'Best Supplier - Business Support Award' and the 'Best Delivery Performance Award', among others.

In addition to the manufacture of liquid aluminium alloys and aluminium alloy ingots, our Company is also engaged in the business of segregation and sale of metal scrap as a part of our manufacturing process (with a specific focus on stainless steel, brass, copper and zinc). Our Company generated a revenue of ₹ 2,476.51 million and ₹ 2,012.21 million from sale of scrap, segregated scrap, ash and residue sales which accounted for 10.25% and 11.08% of our revenue from operations (gross) for the year ended March 31, 2017 and the nine month period ended December 31, 2017, respectively. One of our major customers to whom we sell segregated scrap is Jindal Stainless (Hisar) Limited.

Our Promoter Gauri Shankar Agarwala who is our Chairman and Executive Director, has substantial experience in the field of law, finance and taxation, among others. Our Promoter Mohan Agarwal, who is our Managing Director, has over 24 years of experience in the aluminum recycling industry. With their industry, operational, and financial experience, our Promoters have been at the core of the expansion of our operations from the first manufacturing facility of our Company in Tatarpur, Haryana in 2006 to seven operational manufacturing facilities, as on date, in addition to two new facilities, one under construction and the other in the planning stage, as on the date of this Draft Red Herring Prospectus.

In the nine month period ended December 31, 2017 and in Fiscals 2017, 2016 and 2015, our total revenue was ₹ 18,197.77 million, ₹ 24,229.16 million, ₹ 23,447.63 million and ₹ 20,942.33 million, respectively. Our restated profit after tax for the nine month period ended December 31, 2017 and in Fiscals 2017, was ₹ 705.49 million and ₹ 711.10 million, respectively. We have been able to increase our total revenue from Fiscal 2013 to Fiscal 2017 at a CAGR of 15.33%. Our EBITDA has grown to ₹ 1,504.03 million for Fiscal 2017 from ₹ 620.00 million for Fiscal 2013. Further, in the nine month period ended December 31, 2017 and in the Fiscal ended 2017, our return of capital employed was 32.63% and 30.11%, respectively. As on March 31, 2017 and December 31, 2017, our Debt/Equity Ratio was 0.88 and 0.84, respectively, as compared to 1.36 in Fiscal 2016 and 1.74 in Fiscal 2015. Additionally, for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016 and 2015, our Company's total volume of sale of liquid aluminium alloys and aluminium alloy ingots, combined was 109,212.06 MT, 130,754.91 MT, 126,087.44 MT and 109,598.50 MT, respectively.

## **Our Competitive Strengths**

### ***Largest recycler of aluminium alloys***

We are the largest producer of recycled aluminium alloys in India. As per the CRISIL Report, in addition to being the largest contributor in the incremental capacity in the industry over the past five years in the organised segment with a capacity addition of approximately 90 KTPA, we currently occupy an estimated market share of approximately 40 - 45% in north India and approximately 15 - 20% in south India, resulting in an overall market share of approximately 21% in the automotive segment of recycled aluminium industry and in terms of liquid aluminium space, we occupied a domestic market share of approximately 70% in Fiscal 2018. We have been able to successfully increase our sales volume from Fiscal 2013 to Fiscal 2017 at a CAGR of 13.27% against the aggregate recycled aluminum growth at a CAGR of 10%, thereby continuously gaining on our market share. During Fiscal 2017 and the nine month period ended December 31, 2017, our Company supplied 79,141.71 MT and 67,845.56 MT liquid aluminium alloys and 51,613.20 MT and 41,366.50 MT aluminium alloy ingots, respectively, to our customers. Since Fiscal 2013 and up to Fiscal 2018, our overall sales volume of recycled aluminium alloys grew from approximately 80,000 MT to 150,000 MT, thereby increasing our market share from approximately 15 - 18% in Fiscal 2013 to approximately 21% in Fiscal 2018, as per the CRISIL Report.

We manufacture aluminium alloys in our facilities situated in some of the key auto clusters in north India and south India. While a majority of these facilities are situated in the state of Haryana and accordingly cater to our customers in the northern part of the country, setting up of our facility at Chennai, Tamil Nadu has provided us access to newer geographies. Through these manufacturing facilities, we have been able to supply quality products to our customers while also adhering to their delivery schedules. On account of our continued focus on offering products that create value for our customers, we have been able to innovate our products for better quality and use, thereby positioning ourselves as a supplier preferred by our significant customers. We also now intend to establish our presence in western India and accordingly, are setting up a manufacturing facility in Gujarat which is currently under construction.

### ***Long-standing relationships with our customers***

We have developed long-standing relationships with our customers some of whom have been with us since the commencement of our manufacturing operations in the year 2006. Our customers include companies such as Maruti Suzuki India Limited, Rockman Industries Limited, Sunbeam Auto Private Limited, India Yamaha Motor Private Limited, Rico Auto Industries Limited, ASK Automotive Private Limited and Honda Motorcycle and Scooters India Private Limited, among others who have been our customers for the last ten Fiscals. We have grown our customer base over the years to additionally include OEMs and Tier 1 companies such as Honda Cars India Limited, Ahresty India Private Limited, Minda Industries Limited, Minda Corporation Limited, Nemak Aluminium Castings India Private Limited and Jaya Hind Montupet Private Limited, among others. Owing to our strong customer relationships, we have been, on several occasions, invited by our customers to set up our facilities alongside their facilities so that we maintain uninterrupted supplies of our products to them. For instance, recently, one of our customers issued a letter of intent for supply of recycled aluminium from our new manufacturing facility being set up under CMRN, in the state of Gujarat.

We believe that our long-standing relationships with our customers bears testimony to our ability to successfully serve and meet their requirements and has been one of our key growth drivers. Our customers typically have stringent and time-consuming selection procedures for procurement from manufacturers. These procedures involve review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities, logistical capabilities, multiple inspections, and review of prototypes. Such procedures lead us to work on an ongoing basis to engineer our products to meet our customers' requirements and specifications. Additionally, we believe that our consistent delivery of quality and cost competitive products over the years has helped us in receiving orders from multiple customers across the country. Our long-standing relationship with major Tier 1 companies as well as OEMs provide us with a significant advantage by enabling us in effectively competing with our competitors. We also believe that we have a relatively lower defect rate in our products with there being minimal rejections on account of quality. For the Fiscal ended 2017 and nine month period ended December 31, 2017, our defect rate was 0.11% and 0.09%, respectively.

In accordance with our strategy, we have invested in locations close to our customers' manufacturing facilities, which we believe has been a key factor in aiding and nurturing a strong relationship with these customers. Being closely located to our customers allows us to optimise our deliveries to our customers and facilitates greater interaction with our customers by enabling us to respond to their requirements in a timely manner. For instance,

our manufacturing facilities in Gurgaon and Bhiwadi are situated on the premises of one of our customers. Further, our multi-location strategy provides us with an opportunity in key auto clusters to expand our customer base in addition to helping us in gaining greater market share by giving us the ability to quickly respond to our customers. Further, locating our manufacturing facilities near our customers' premises reduces logistical costs allowing us to produce and supply cost competitive products for our customers.

### ***Leading supplier of liquid aluminium***

We were one of the initial suppliers of liquid aluminium having started supplying liquid aluminium, through our manufacturing facilities situated adjacent to the premises of our customers since September 2008, and through road transport since November 2013, and occupied approximately 70% of the market share in liquid aluminium space in Fiscal 2018, as per the CRISIL Report. We have been able to increase our market share steadily on account of our successful track record of quality, consistency and timely delivery of products to our customers. In the nine month period ended December 31, 2017, and in Fiscals 2017, 2016 and 2015, our volume of sale of liquid aluminium alloy in north India was 66,160.23 MT, 79,066.05 MT, 76,461.58 MT and 70,555.10 MT, accounting for 74.05%, 72.87%, 72.29% and 70.39%, respectively, of our total aluminium alloy sales volume in north India, for the corresponding period. We commenced supply of liquid aluminium through CMRT since Fiscal 2017, and our volume of sales of liquid metal in south India was 75.66 MT and 1,685.33 MT for Fiscal 2017 and for the nine month period ended December 31, 2017, accounting for 0.49% and 9.45%, respectively, of CMRT's total aluminium alloy sales volume, for the corresponding period.

Liquid aluminium cannot be stored and accordingly, our customers employ just-in-time (“JIT”) inventory strategy in terms of which, they receive the products only as they are needed. This inventory model requires an uninterrupted supply of raw materials thereby increasing the customer's dependence on the suppliers. Our commitment to provide quality products in a timely manner has been instrumental in enabling us to capture major market share over the other players in the industry. We believe that in addition to occupying approximately 70% of the market share in the liquid aluminium space in Fiscal 2018, such interdependence between us and our customers gives us a significant advantage over our competitors. In order to ensure quality and timely delivery, we have made significant investments in manpower, supply chain, logistics, information technology, process controls and plant and machinery, such as specially designed trucks used for transportation of liquid aluminium and in specially designed ladles which prevent spillage and loss of temperature during transit.

Transportation of liquid aluminium can typically be carried out for destinations within a distance of up to 20 - 25 kilometers. Strategically, we have strived to set up our manufacturing facilities closer to or at the premises of our customers. On certain occasions, our customers have leased out land to us on their facilities to enable us to establish our manufacturing facilities, enabling us to adhere to their round the clock delivery schedules and increasing their dependence on us. For instance, our manufacturing facilities at Bhiwadi and Gurugram are situated on the premises of one of our customers on land leased by them to us for supplying liquid aluminium. Our manufacturing facilities in Haridwar, Manesar and Bawal are situated either next to our customers' facilities or in proximity to them. Such proximity has, in the past, enabled us to achieve up to 99 deliveries of liquid aluminium to a particular customer and up to 120 deliveries of liquid aluminium to multiple customers in a single day.

Liquid aluminium provides several operational benefits to our customers. Such operational benefits include elimination of re-melting process, reduced oxidation losses, reduced power and fuel consumption and reduction of inventory handling costs. Additionally, liquid aluminium also results in a significant reduction of carbon emissions into the environment. According to the United Nations Framework Convention on Climate Change (“UNFCCC”), 1 MT of liquid aluminium saves approximately 528 kilograms of carbon and consequently reduces greenhouse gas emissions into the atmosphere. Based on our production for Fiscal 2017 and for the nine month period ended December, 2017, we saved approximately 41.79 million kilograms and 35.83 million kilograms of greenhouse gas emissions into the atmosphere, respectively. Our Bhiwadi Unit is also eligible to avail UNFCCC carbon credits. Accordingly, our Company has strived to focus significantly on supply of liquid aluminium and will continue to do so in the future.

### ***Strategic alliances through joint ventures***

We have historically expanded our business through a combination of organic and inorganic growth through tie-ups. We have partnered with some of the leading companies in the aluminium recycling industry to benefit from their experience, reach and technology. For instance, we set up manufacturing facilities in partnership with two Japanese aluminium alloy manufacturing companies, Toyota Tsusho and Nikkei, in order to gain access to further technology and customer base, to deliver quality and advanced products at competitive prices to our customers. These organizations are global players and have a stringent process of due diligence and market research before entering into new markets and selecting a joint venture partner. We believe India is a key market for these companies and as they explore growth options in India, our partnering with them for the setting up of our entities, CMRT and CMRN, gives us an added advantage.

We believe that we have immensely gained from their expertise and intend to continue to do so in the future. As per our joint venture agreement with Nikkei, we have undertaken to consider Nikkei as our preferred partner for any future ventures of similar nature in India. Our proposed manufacturing facilities in Gujarat and Chennai are also through our joint venture entities, CMRN and CMRT, respectively. We intend to continue to expand our product, customer and technology base, thereby strengthening our overall business operations, through such joint ventures and strategic alliances.

### ***Strong and diversified supplier base for sourcing raw materials***

One of the critical factors to develop and grow in our business is the ability to source raw materials. The essential raw material used by our manufacturing facilities for production of aluminium alloy ingots and liquid aluminium alloy is aluminium based metal scrap, which is mostly imported by us. Given the fact that raw material expense constitutes a significant portion of our overall cost, we benefit majorly from a strong, globally spread out and diversified supplier base. This enables us to negotiate favorable terms and even avail better discounts. Additionally, we believe that our diversified supplier base helps us in minimizing supplier risk on account of low supplier dependency.

For the nine months ended December 31, 2017 and for Fiscals 2017, 2016 and 2015, our cost of raw materials consumed including trading purchase and increase/decrease in inventory was ₹ 15,057.15 million, ₹ 19,035.26 million, ₹ 19,470.25 million and ₹ 17,112.35 million, which represented 85.60%, 86.91%, 91.27% and 89.78% of our revenue from operations, net of excise duty on sale of goods, respectively. Our Company has been procuring aluminium based metal scrap from our global suppliers, including, from the United States, United Kingdom, New Zealand, Australia, Europe, Africa, South Africa, Thailand and the UAE, among others, as well as from certain domestic suppliers. Since metal scrap prices vary in international markets, such strong and diverse base of suppliers across six continents, enables us to selectively buy metal scrap and limiting the adverse effects of the changing relative prices of different types of metal scraps on account of the various global and domestic market conditions. Our ability to respond to these changing prices in order to determine the cheapest raw material available can have a significant impact on our profitability.

We do not have any long term contracts with any of our raw material suppliers, however, we have maintained long term relationships with most of these major suppliers. Production quantity and cost of our offerings are dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply of our raw materials. We use a linear programming software which helps us to predict our raw material requirements by considering factors such as prices, process yields, available inventory, supply lead times, among others. This helps us to place orders for optimum quantities of raw materials with our suppliers so as to procure the optimum mix of raw materials for the forecasted sales. We believe our strong relationships with our raw material suppliers enable us to obtain such good quality metal scrap at rates which we believe are beneficial to us, within the prescribed timelines. We continually strive to maintain strong relationships with our suppliers in order to derive better insight into the markets for our raw materials, which helps us to manage our raw material supply chain, resulting in greater predictability of supply and, consequently, a greater ability to meet production schedules and achieve on-time delivery for our customers.

The scrap prices vary from market to market, and our buying team, accordingly analyses the arbitrage in different markets to take possible advantages of such variations by purchasing more from the cheaper source. We maintain a robust database of our suppliers, quality of materials received from them and pricing details in addition to periodically conducting melt loss experiments to determine effective realizations. We have a stringent vendor rating system which enables us to keep a periodic check on our suppliers with regard to the quality of materials supplied and the corresponding prices. We use these details for negotiating purchases in the future and for quality claims, which we believe is a very important aspect of our business operations.

### ***Our manufacturing facilities, technology, quality processes and engineering expertise***

We presently operate through our seven manufacturing facilities which are present in some of the key auto clusters in north India and south India. Four of our facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities are situated at Haridwar, Bhiwadi and Chennai, in the states of Uttarakhand, Rajasthan and Tamil Nadu, respectively. Our total manufacturing capacity as on March 31, 2018 was 218,000 MT aluminium alloys, per annum accounting for approximately 16% of the aggregate capacities installed domestically in the overall aluminium recycling industry as a result of which, we have become the largest contributor to the incremental capacity over the past five years from the organised segment, as per the CRISIL Report.

We believe that we have been able to develop an efficient, technology driven manufacturing process that has helped us to manufacture our products in accordance with the requirements and specifications of our customers in a cost-effective manner. We use different technologies along our entire process for manufacturing our products, for instance, we use equipment such as regenerative burners, de-coaters and metal circulation furnaces. These equipment help us in saving fuel costs and enable better recovery from scrap and dross generated on account of the melting process. For segregation of scrap, we use rotary sieves, eddy current separators, gravimetric separation and shredders to ensure that the materials being fed into the furnaces are devoid of most impurities. Our infrastructure in the manufacturing facilities give us the flexibility to process various types of metal scrap, and manufacture alloys in line with the required composition. Additionally, the infrastructure in our manufacturing facilities enables us to process and utilize various types of scrap. Different scraps are optimum for producing different types of alloys. For instance, one of our alloys ADC 6 can, in the most efficient manner, be made out of tough taboo scrap. Possessing the ability to process various types of metal scraps allows us to produce different alloys in a cost efficient manner. Such flexibility is also important to us as the required configuration of the alloys varies from customer to customer, and therefore, we, on certain occasions, need to switch grades of alloys from one furnace heat to another. Therefore, the ability to process various types of scraps enables us to meet the varied demands of customers. We also employ anti-pollution control mechanism and baghouse to reduce harmful emissions into the environment. In respect of liquid aluminium, we use specially designed trucks for transportation and also employ modern equipment such as specially designed ladles which enable prevention of loss of temperature during transit. We believe, our technological expertise and the availability of modern equipment at our disposal provides us a cost competitive advantage which in turn provides us an advantage in securing purchase orders from customers across the country.

Additionally, we employ an extensive and stringent quality control mechanism at each stage of the manufacturing process including a multi-stage check of raw materials, chemical analysis of alloys, microstructure analysis, spectrometer analysis and K mould test, which are required to ensure that our finished product conforms with the exact requirement of our customers and successfully passes all validations and quality checks. As on the date of this Draft Red Herring Prospectus, certain of our manufacturing facilities have accreditations such as the ISO 14001:2015, TS 16949:2009 and OHSAS 18001:2007. We also have a dedicated development team of engineers along with a well-equipped laboratory. Our constant endeavor to ensuring quality output has required us to make significant investments to maintain our quality assurance systems such as an online audit or periodic checking by the operators on the shop floor itself to ensure there is no defect from the previous stage, forming a separate business excellence team responsible for continuous improvement and quality and assurance in the manufacturing facilities and machineries, and in the manufacturing process. By practicing such short interval controls, our Company is able to trace defects during the early stages of the manufacturing process.

### ***Experienced and qualified management team backed by good governance standards***

Our Company has experienced robust business growth under the vision, leadership and guidance of our experienced management team comprising our Promoters, Gauri Shankar Agarwala and Mohan Agarwal. Gauri Shankar Agarwala who is also our Chairman and Executive Director, has substantial experience in the field of law, finance and taxation, among others. Mohan Agarwal, who is also our Managing Director, has over 24 years of experience in the aluminum recycling industry. With substantial industry, operational and financial experience, our Promoters have led the expansion of our operations from one manufacturing facility in Tatarpur, Haryana in 2006 to seven manufacturing facilities, including two manufacturing facilities established in partnership with Toyota Tsusho and Nikkei, as on the date of this Draft Red Herring Prospectus.

Our senior management team has also been instrumental in establishing and maintaining relationships with our customers. They also have extensive experience in metal recycling industry including in operations, business development, quality assurance, and human resource management. Most of our manufacturing plant heads have

been with us for more than five years. Our senior management and technical personnel are supported by other skilled workers who benefit from our regular in-house training initiatives. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration, and promoting the development of their skills. We believe the strength and entrepreneurial vision of our Promoters and senior management has been instrumental in driving our growth and implementing our strategies.

Further, our Company received investment from a private equity investor, Indian Automotive Components Manufacturers Private Equity Fund - 1 - Domestic, which was managed by IFCI Venture Capital Funds Limited, in the year 2011 and thereafter, in the year 2013, we additionally received investment from another private equity investor, Global Scrap Processors Limited, a wholly owned subsidiary of pan-Asian private equity fund AIF Capital Asia IV L.P, which invested primary capital in our Company and provided the previous investor an exit from our Company.

These private equity investments have helped us in enhancing our operations and in strengthening our financial and internal controls. Additionally, we have acknowledged the importance of, and have focussed on, maintaining high corporate governance standards. Our Company has had qualified and experienced independent directors on its Board since the year 2014. Further, since the Fiscal 2015, we have engaged S. R. Batliboi & Co. LLP as the Statutory Auditor of our Company. Additionally, we have employed an independent firm of Chartered Accountants as our internal auditors whose reports are reviewed on periodic intervals by the Board of Directors. We believe that such private equity investments and corporate governance standards has helped us in enhancing and strengthening our operations and financial and other internal controls.

## **Our Business Strategies**

### ***Expansion of supply of liquid aluminium***

Over the past few years, the demand from key end-use segments, particularly automotive industry segment, is partially shifting towards molten form of aluminium, as against solid form, according to CRISIL Report. Such a shift is owing to the environment benefits as well as operational advantages, not only to the customers but also to the suppliers. Liquid aluminium eliminates re-melting process thereby minimising oxidation losses and reducing power and fuel consumption for our customers. It also helps in increasing efficiency and reducing inventory costs and the customers are required to receive goods only as they are needed, thereby enabling the JIT inventory strategy. Consequently, supply of liquid aluminium helps reduce overall costs for our customers, part of which is also passed on to us allowing us to gain better margins thereby increasing our profitability. Accordingly, while we will continue to focus on strengthening our market position in the aluminium recycling sector, we would like to capitalise on this opportunity by supplying high quality liquid aluminium to our customers.

Liquid aluminium can only be supplied up to a distance of 20 - 25 kilometres and accordingly, our strategically located manufacturing facilities situated close to our customers' premises in the key auto clusters in north and south India, will enable us to supply liquid aluminium, adhering to our customers' round the clock delivery schedules. Having commenced supply of liquid aluminium in north India in the year 2008, we occupied approximately 70% of the market share in liquid aluminium space in Fiscal 2018, as per the CRISIL Report, most of which is concentrated in north India. For the nine month period ended December 31, 2017, 97.52% of our total liquid aluminium alloy supply was to customers in the northern part of the country. Supply of liquid aluminium in south India was introduced by us in Fiscal 2017 through our Subsidiary, CMRT's facility. However, we plan to set up a new manufacturing facility in Chennai under CMRT, the land for which has already been acquired, to cater to the increasing demand of liquid aluminium in the region. We have also received initial interest from one of our customers in this regard. Presently, automotive manufacturers in south India rely significantly on importing aluminium ingots because of absence of any major organised player with the import of aluminium alloy ingots accounting for approximately 15 - 20% of the total recycled aluminium ingots demand in Fiscal 2018. Setting up manufacturing facilities in the region would allow us to capitalize on the opportunity to supply liquid aluminium to these automotive manufacturers, thereby enabling us to increase our market share. Further, we also plan to set up a new manufacturing facility in Gujarat under CMRN, the land for which has already been acquired, to cater to our customers who are setting up their manufacturing facilities in the region.

We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into the western and southern part of India, and establish a strong presence in the recycled aluminium industry, including the liquid aluminium market in these geographies as we have in north India. We have been able to capture a market share of approximately 15 - 20% in south India, as per the CRISIL Report, since commencing our operations in the year 2014. As per the CRISIL Report, at the industry level, the total production



of liquid aluminium is estimated to account for 15% annually in Fiscal 2018, and therefore we are anticipating substantial growth in the liquid aluminium supply within the recycled aluminium market. We believe that our manufacturing capabilities, our long standing experience in the aluminium recycling industry and our ability to supply liquid metal will enable us to cater to this rise in demand while significantly increasing our revenues.

***Focus on deepening and strengthening our relationships with our existing customers as well as catering to new customers***

We have over the years established long-term relationships with our customers leading to recurrent business engagements with them. Our major customers comprising Tier 1 companies as well as OEMs, have been with us for the last ten Fiscals. We believe that our customer retention levels reflect our ability to provide high quality products, and our consistent customer servicing standards have enabled us to increase our customer dependence on us. We strive to clearly understand our customers' business needs and provide products that maximize their returns. We will continue to work with our Tier 1 companies and OEM customers, with whom we believe we have long-standing relationships and knowledge of their requirements and preferences, in order to develop and supply highly specific products. We anticipate that our product offerings, the quality thereof and leadership in key product segments will help us in increasing our share of business amongst our existing customers as well as increase our customer base.

Additionally, the demand for recycled aluminium has grown at a relatively faster pace at a CAGR of approximately 10% as compared to the demand for primary aluminium, which has grown at CAGR of 5% during Fiscal 2013 and Fiscal 2018, as per the CRISIL Report. This growth in usage of recycled aluminium is primarily attributable to its low cost, better technical properties over other metals and environment benefits. Further, on account of this potential increase in demand in addition to our strong relationships with our existing customers, we expect to gain from the growth of our industry. For instance, our Company received a letter of intent from one of our major customers to set up a manufacturing facility in proximity to its facility, in Vanod, Gujarat. This new facility will allow us in enhancing the distribution reach of our products in the western part of the country. We believe that such long-term, established customer relationships will enable us to effectively capitalize on our customers' increasing requirements, increase our market share, our revenues and future earnings.

***Geographic expansion***

According to CRISIL Report, north India occupies approximately 45 - 50% of India's secondary aluminium recycling capacity which is followed by western and southern India, which occupy approximately 20 - 25% each, whereas eastern region accounts for less than 10% of the total capacities. We currently occupy an estimated market share of approximately 40 - 45% and approximately 15 - 20% of the market share in north India and south India (where we have been since the year 2014), respectively, in the automotive segment of recycled aluminium industry in India, as per the CRISIL Report. Six of our manufacturing facilities are situated in north India and one facility is situated in south India. We intend on enhancing the distribution reach of our products in different parts of the country, especially in western India and in southern India. We plan to foray into such geographies and accordingly, expect to commission a new manufacturing facility in Gujarat through our entity CMRN. To this end, our Company has acquired the land and placed orders for the equipment to be installed with the construction of the manufacturing facility currently in process. This facility is being constructed primarily on account of the letter of intent issued by one of our significant customers which we believe will secure our Company from any potential risks associated to opening up a new facility in a new geographical market. This is in line with our strategy to ensure that we set up and continue to operate manufacturing facilities when it is economically viable to do so. Through this manufacturing facility, we intend to not only cater to the increasing demand of our existing customers but also to the demand of customers internationally thereby increasing our customer base and enhancing the distribution reach of our products in the western India and internationally.

Further, we intend to strengthen our market share in south India and are accordingly establishing another manufacturing facility at Chennai through CMRT to cater to the growing demand in the region. Higher share of imports from Malaysia and Thailand is attributed to India's free trade agreement ("FTA") with these countries, which leads to import of ingots at highly competitive prices, without the levy of 7.5% import duty (otherwise applicable on aluminium ingot import from other countries). By setting up our facility, we intend to capitalise on the opportunity by supplying liquid aluminium to our customers in south India thereby gaining a share in the market at an early stage as compared to our competitors. By capitalising on our experience in this industry and established presence in north and south India, we believe that we will be able to establish a strong presence in the geographies that we intend to foray into which will in turn help us to mitigate risks associated with regional concentration.

### ***Expansion of our supplier base***

Manufacturing aluminium through primary route involves processes including, mining and refining of bauxite and smelting of alumina. Bauxite, as a natural resource is constantly depleting and is exhaustive in nature. Recycled aluminum, on the other hand, involves sorting and segregating of metal scrap, melting of such scrap, re-alloying, and casting into ingots. The inherent quality of aluminium is not affected by recycling irrespective of the number of recycling cycles. Consequently, as per the CRISIL Report, the growth in recycled aluminium demand will continue to outpace primary aluminium demand growth.

We have a diversified supplier base and we believe that this helps us in minimizing supplier risk due to low supplier concentration. On account of limited scrap generation and collection in the domestic market, presently, we have been procuring aluminium based metal scrap from our global suppliers, including, from the United States, United Kingdom, New Zealand, Australia, Europe, Africa, including South Africa, Thailand and the UAE, among others. With a view to making our supply chain even more robust, we are constantly looking to expand our supplier base and also intend to foray into newer geographies to purchase metal scrap. One of the salient features of the global scrap market is the fact that the scrap prices are different in different parts of the world. By extending our reach to different countries, we intend to take possible advantages of any variations in scrap prices by purchasing more from the cheaper source. Further, we are continually evaluating different types of metal scraps that may be used in our manufacturing process. This will help us in reducing losses on account of oxidation, thereby increasing the effective realization from the metal scrap. Raw material costs account for significant expenses and have a substantial impact on our profitability and accordingly, we believe that an expanding supplier base is essential for growth in our industry.

### ***Leverage growth prospects for recycled aluminium and movement of market from unorganized to organized players***

According to CRISIL Report, going forward, the demand for recycled aluminium is expected to be driven by an increase in production of automobiles, including two wheelers, passenger vehicles and commercial vehicles. This is following the expected improvement in macroeconomic scenario, steadily rising disposable incomes and relatively stable cost of ownership owing to anticipated stable fuel oil prices. Additionally, with the OEMs aiming to optimize vehicle's weight-strength ratio in order to increase fuel efficiency, aluminium demand is likely to increase over the medium to long term. Moreover, the government's focus on electric vehicle will further support the demand for aluminium on account of its extensive use in electric vehicles for light-weighting. The recycled aluminium industry is expected to grow due to cost efficiency of recycled aluminum as compared to primary aluminium, benefits of pre-existing favourable chemical properties and environmental benefits. Our Company, being the largest recycler in the aluminum recycling industry in India, stands to be benefited from this significant increase in the demand emanating from this sector.

Aluminium recycling industry is highly fragmented and unorganised with most companies being run as family enterprises or proprietorships, having regional presence, with us being the exception, according to the CRISIL Report. GST implementation has led to higher compliance requirements thereby leading to increasing compliance costs for unorganised segment and therefore, we expect a shift of the industry from the unorganised to the organised segment. We believe that this shift will be beneficial for us. For instance, majority of the imports are consumed in Southern region because of absence of any major organized player. We believe that our manufacturing facility being set up in south India to supply liquid aluminium, will help us gain significant presence in the market.

### ***Ensure efficiency and reduced cost through integrating operations, process optimization and increased use of information technology***

Offering quality products at competitive prices is a key aspect of maintaining and expanding our relationships with our customers. To this end, we have adopted a number of initiatives designed to improve our operational efficiency. We, as one of our primary business strategies, also intend to continue improving cost efficiency. For instance, we have a monthly review of working processes, wherein every employee is required to submit at least one idea for improving working practices. The best submitted ideas are adequately awarded and horizontally deployed. We also have reviews on a monthly basis, wherein our facility heads are required to present the process improvements carried out in their respective facility during the month. The best process improvements are horizontally deployed and their effective implementation is regularly reviewed by the management of our Company. Some of the areas in which improvements are implemented are low-cost automation, energy

conservation initiatives and rationalizing manpower requirements. We have also adopted the total preventive maintenance initiative across all of our manufacturing facilities to improve our operational efficiency and the reliability of our manufacturing processes and machines by decreasing break downs and rejections. Our business excellence team is also actively involved in introducing various process improvements on shop floor. This team has been working on implementing short interval controls wherein the output and quality of the various sections of the shop floor are monitored in short intervals. We have implemented the root cause analysis technique of effective problem and solution identification which is based on the principle of asking '5 Whys' to determine the root cause of any problem that arises. We intend to continue focusing on our business excellence team and developing further techniques not just to identify the problems of the shop floor, but also to resolve them. We strongly believe that each such initiative, irrespective of its scale, contributes to improving our efficiency, reducing costs and improving overall product quality.

We are focused on using information technology to establish a standardised platform across our business units for our processes, hardware and software infrastructure and workforce. We have tried to increase the use of information technology in our operations from the shop floors to our corporate offices to enhance efficiency in our systems and reduce manual intervention in the reporting of data. In line with our intention to build a 'paper-less' organization wherein information is easily accessible as and when required, we have set up central planning, marketing and raw material procurement teams that make use of various software and business intelligence tools for planning the procurement, tracking deliveries, distribution of materials to various plants and generating reports in the required formats. This not only helps us to reduce costs but also achieve operational efficiencies and economies of scale. We have also introduced the Infor ERP LN in the year 2015 encompassing business functions including production, materials, finance, inventory and human resource management. We focus on technological improvements which provide us with a competitive advantage with respect to building an organization with fully integrated operations.

## **Our Operations**

### ***Our Products***

Our Company is the largest recycler in the domestic aluminium recycling industry in India, according to CRISIL Report, catering primarily to the automotive industry. We are currently engaged in manufacturing primary aluminium alloys as well as secondary aluminium alloys. Primary aluminium alloy is an alloy where the iron and zinc content is less than 0.60% whereas secondary alloy is an alloy where the iron and zinc content is more than 0.60%. Aluminum alloys industry is an important part of non-ferrous cast metal industry as it encompasses a combination of aluminum and other alloying elements. Aluminium alloys vary depending upon their chemical composition. Some of the aluminum alloys manufactured by our Company based on various standards are LM6, LM 4, HS-1, DAA1, ADC12, ADC6, among others. A brief description of these alloys is provided hereunder.

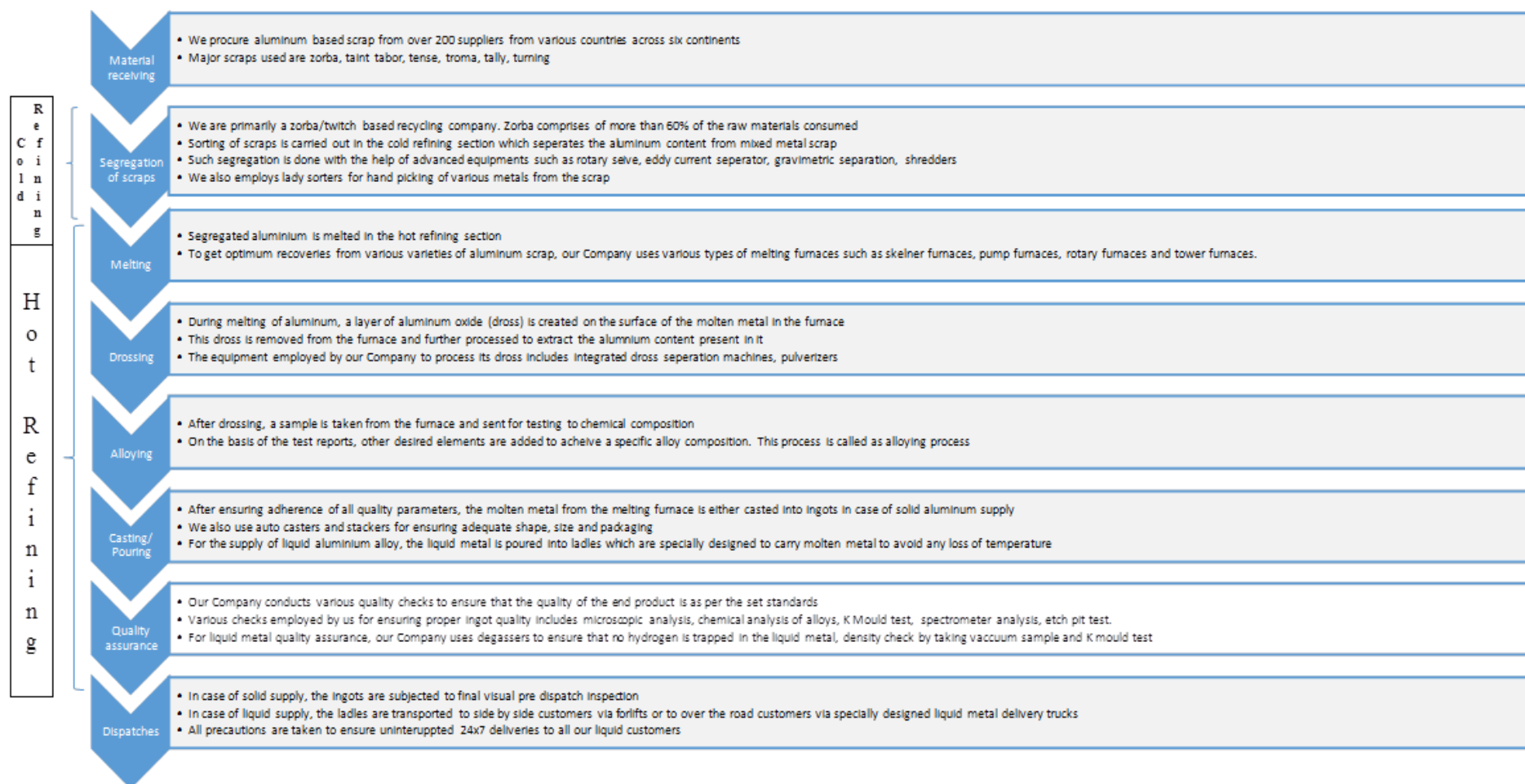
- **ADC12** - This alloy has high mechanical properties and good castability. It is used for automotive parts with complicated shapes, for example, cylinder blocks, transmission cases, and converter housings.
- **ADC6** - This alloy offers good corrosion resistance and elasticity for various safety applications, primarily in two wheelers like brake levers and handle holders.
- **HS1H** - This alloy has high resistance to corrosion. It is used in inlet pipe, bottom case.
- **DAA1** – This alloy has good castability and corrosion resistance. It is used in making cylinder head.
- **LM6** - This alloy has a high resistance to corrosion and excellent castability. Accordingly, it is very suitable for marine applications, watercooled manifolds and water jackets, motorcar and transport fittings.
- **LM4** - This alloy is suitable for general engineering purposes including cylinder heads, crank-cases, junction boxes, gear-boxes, clutch cases and switch gear covers where moderate mechanical properties are desirable.

As on March 31, 2017 and the nine month period ended December 31, 2017, our revenue from sale of primary aluminium alloys, net of excise duty amounted to ₹ 3,973.72 million and ₹ 3,241.40 million, accounting for 18.14% and 18.43%, respectively, of our revenue from operations, net of excise duty. Further, as on March 31, 2017 and as on the nine month period ended December 31, 2017, our revenue from sale of secondary aluminium alloys, net of excise duty amounted to ₹ 13,738.34 million and ₹ 11,846.58 million, accounting for 62.73% and 67.35%, respectively, of our revenue from operations, net of excise duty.

Additionally, our Company is also engaged in the manufacture of zinc alloy ingots, specifically, Z3 and Z5, a combination prepared by adding metals such as aluminum, copper and magnesium.

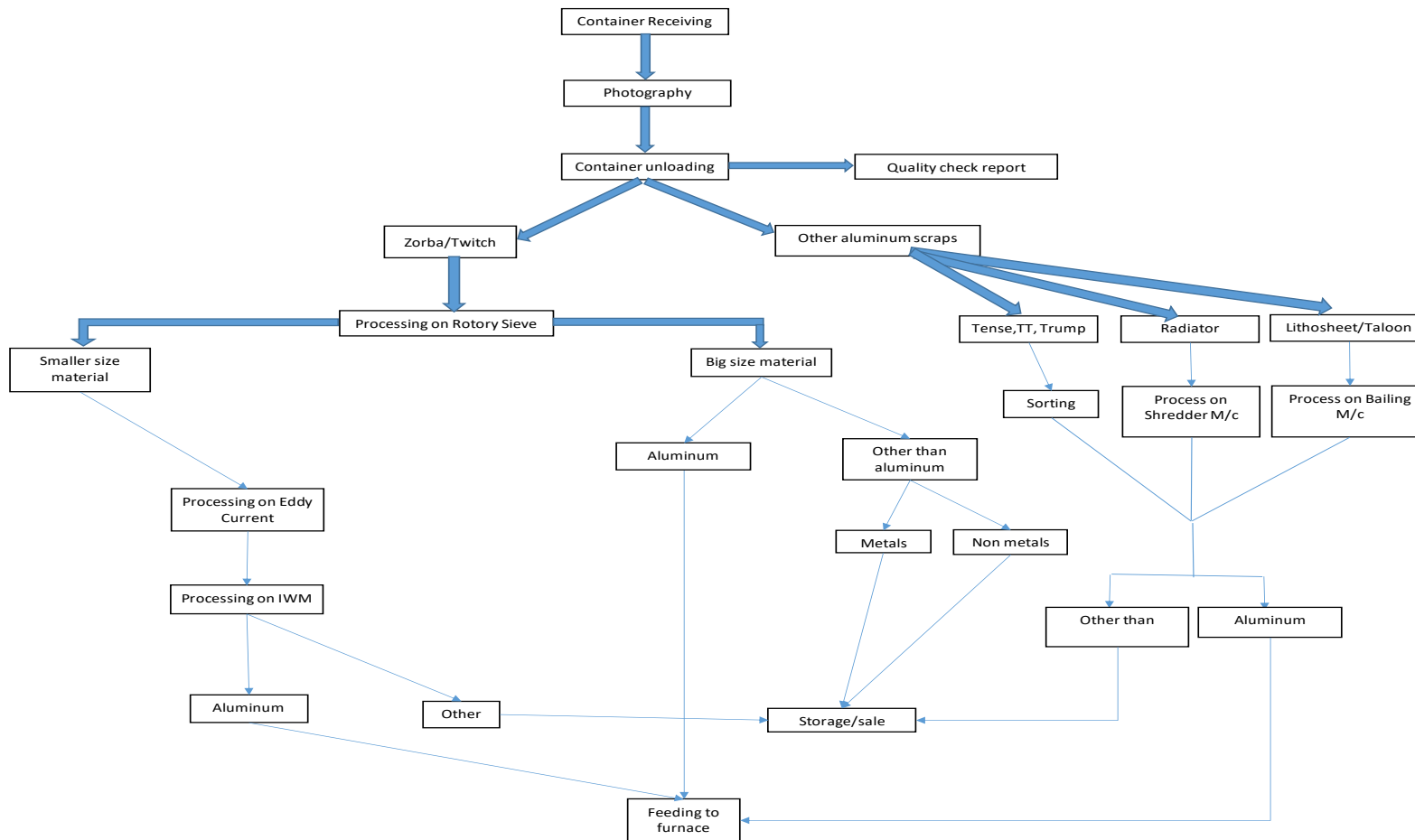
## Our Manufacturing Process

Set forth below is a brief description of the process carried out in our facilities to manufacture aluminium alloy ingots as well as liquid aluminium.



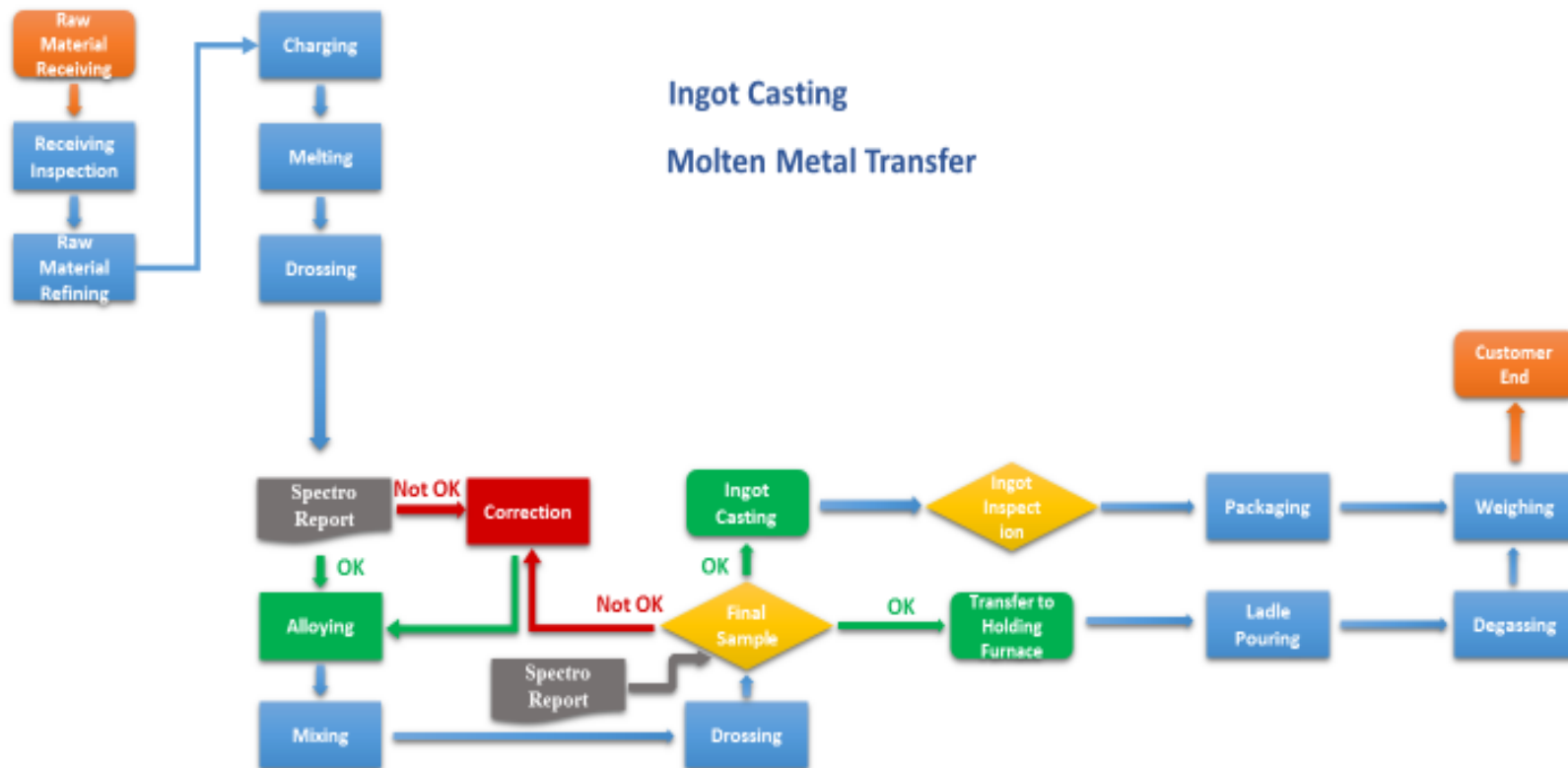
### *Cold Refining Section*

Cold refining is a process carried out for segregation of aluminum from other metallic and other non-metallic substances. Set forth below is the process of cold refining, as carried out by our manufacturing facilities.



### *Hot refining section*

Once the cold refining process is completed, the metallic substance is then fed to the furnace for melting at extremely high temperatures. This process is called hot refining and is carried out in the hot refining section of our manufacturing facilities. Set forth below is the process of hot refining, as carried out by our manufacturing facilities.



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

We currently have seven manufacturing facilities all of which are present in some of the key auto clusters in north India and south India. Four of these facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities are situated at Haridwar, Bhiwadi and Chennai, in the states of Uttarakhand, Rajasthan and Tamil Nadu, respectively. Our total manufacturing capacity as on March 31, 2018 was 218,000 MT aluminium alloys and 6,500 MT zinc alloys per annum, respectively. Some of our manufacturing facilities are operated round the clock for seven days in a week with national and public holidays being the off days.

Set forth below are details of the installed capacity and the utilized capacity in respect of the production of aluminium alloys during Fiscals 2018, 2017 and 2016 at our manufacturing facilities.

<b>Manufacturing Facility</b>	<b>Installed Capacity (in MT)</b>			<b>Utilized Capacity (in %)</b>		
	<b>Fiscal 2018</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2018</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>
Tatarpur Unit	40,000	40,000	40,000	60	60	54
Haridwar Unit	30,000	30,000	30,000	81	73	77
Gurugram Unit	24,000	24,000	24,000	65	70	79
Bhiwadi Unit	24,000	24,000	24,000	42	31	34
Manesar Unit	24,000	24,000	24,000	81	60	52
Bawal Unit	40,000	40,000	40,000	73	61	53
Chennai Unit	36,000	36,000	36,000	76	63	77

Set forth below are details of the installed capacity and the utilized capacity in respect of the production of zinc alloys during Fiscals 2018, 2017 and 2016 at our manufacturing facilities.

<b>Manufacturing Facility</b>	<b>Installed Capacity (in MT)</b>			<b>Utilized Capacity (in %)</b>		
	<b>Fiscal 2018</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>	<b>Fiscal 2018</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>
Tatarpur Unit	5,000	5,000	5,000	54	68	60
Haridwar Unit	1,500	3,000	3,000	29	30	34

#### ***Tatarpur Unit***

Our Tatarpur Unit is the first manufacturing facility of our Company. Commencing operations in the year 2006, this facility has expanded and currently has an annual installed capacity of 40,000 MT aluminium alloys. Currently, this facility is engaged in the manufacture of more than 25 alloys conforming to the various standards.

This facility was set up with advanced metal recycling equipment such as metal circulation pumps, de-coaters and large furnaces, among others which were imported by our Company. We have strived to keep the equipment updated with the latest technology with further investments being made in modern metal recycling equipment such as eddy current separators, rotary sieves, gravimetric separation, among others, over the years. Some of the key customers associated with this facility include India Yamaha Motor Private Limited, Maruti Suzuki India Limited, Honda Cars India Limited and ASK Automotive Private Limited.

Tatarpur Unit is equipped with hot as well as cold refining capabilities. Our cold refining section receives mixed metal scrap such as zorba, twitch, tense, taint tabor, tally, taboo, turning etc. which is processed to segregate aluminium from other metals such as zinc and copper and other non-metals.

#### ***Haridwar Unit***

Our Haridwar Unit commenced operations in the year 2008. This facility has expanded and currently has an annual installed capacity of 30,000 MT aluminium alloys. This facility is located adjacent to its customer, Rockman Industries Limited. Other key customers associated with this facility include Rico Auto Industries Limited and ASK Automotive Private Limited.

Haridwar Unit is equipped with hot as well as cold refining capabilities with six furnaces operating in its premises.

#### ***Gurugram Unit***

Our Gurugram Unit commenced operations in the year 2009. This facility has expanded and currently has an annual installed capacity of 24,000 MT aluminium alloys. At the time of commencement of operations in 2009,



the Gurugram Unit was set up as a single customer focused facility for Sunbeam Auto Private Limited. With hot refining capabilities, this manufacturing facility is entirely engaged in producing and supplying of liquid aluminium.

#### *Bhiwadi Unit*

Our Bhiwadi Unit commenced operations in the year 2011. This facility has expanded and currently has an annual installed capacity of 24,000 MT aluminium alloys. This facility is engaged in the supply of liquid aluminium as well as aluminium alloy ingots.

The Bhiwadi Unit is located adjacent to its largest customer, Sunbeam Auto Private Limited. Other key customers associated with this facility are Honda Cars India Limited, among others. This facility is equipped with hot refining and cold refining capabilities. The effective capacity utilisation of this plant is relatively low as this is a side by side plant with one of our customers and is dependent on the growth of the customer.

#### *Manesar Unit*

Our Manesar Unit is one of the recently set up facilities having commenced operations in the year 2013. This facility has expanded and currently has an annual installed capacity of 24,000 MT aluminium alloys. This manufacturing facility is entirely engaged in producing and supplying liquid aluminium.

The key customer associated with this facility is Maruti Suzuki India Limited, among others. This facility is equipped with hot refining capabilities in its premises. This facility receives sorted raw material from Tatarpur Unit and Bhiwadi Unit which is processed and the aluminium is then segregated.

#### *Bawal Unit*

Our Bawal Unit commenced operations in the year 2013. This facility has expanded and currently has an annual installed capacity of 40,000 MT aluminium alloy ingots. This facility is engaged in the manufacture and supply of liquid aluminium as well as aluminium alloy ingots.

Set up in the year 2013 pursuant to a joint venture agreement between our Company and Nikkei, this facility is equipped with hot as well as cold refining capabilities with eight furnaces operating in its premises. Some of the key customers of this facility are Ahresty India Private Limited, Rico Auto Industries Limited and Rockman Industries Limited.

#### *Chennai Unit*

Our Chennai Unit commenced operations in the year 2014. This facility has expanded and currently has an annual installed capacity of 36,000 MT aluminium alloys. This facility offers manufacture of aluminium alloy ingots only.

Set up in the year 2014 pursuant to a joint venture agreement between our Company and Toyota Tsusho, this facility is equipped with hot as well as cold refining sections with seven furnaces operating in its premises. This facility caters to the automotive market in south India. Some of the key customers associated with this facility include India Yamaha Motor Private Limited, ASK Automotive Private Limited, Toyota Industries Engine India Private Limited, Jaya Hind Montupet Limited, Nemak Aluminum Castings India Private Limited, among others.

#### ***Our Equipment***

We use various technologies for manufacturing and supplying aluminium alloy ingots and liquid aluminium alloys including a regenerative burner, baghouse, pump furnace and de-coater, rotary sieve, eddy current separator, gravimetric separation, shredder, specially designed ladles and auto chargers as well as specially designed trucks which we believe provide us a cost competitive advantage among our competitors.

#### *Regenerative burner*

Regenerative burner helps us to achieve combustion efficiency, reduced fuel consumption, increased production from existing facilities and reduced emission of carbon dioxide and carbon monoxide into the environment. It works on the principle of waste heat recovery, and accordingly is energy efficient.

### *Baghouse*

A baghouse is an air pollution control device that removes particulates out of air or gas released from our furnaces. Baghouse helps in collecting dust and gas emitted by our furnaces and other equipment.

### *Pump furnace and de-coater*

Pump furnace is a continuously operating furnace. Continuous circulation of metal by creating vortex helps in dissolution and adequate mixing of scraps. De-coater helps in drying the wet material by pre-heating thereby eradicating splashing and consequently eliminating chances of accident. De-coater also removes coatings of oil and/or paints from the surface of scrap, thereby ensuring lower melt loss and higher recovery.

### *Rotary sieve*

A rotary sieve is responsible for the size based segregation of zorba. It is a rotating equipment which has outlets of various sizes. This enables sizing of material, after which each size fraction can be treated and sorted more efficiently.

### *Eddy current separator*

Eddy current separator is a machine which uses high frequency, high power rotating magnets to separate metals from non-metals. Materials below a particular size are processed in the eddy current separator which enables separation of metallic substances from the non-metallic impurities.

### *Gravimetric separation*

Integrated washing machines use difference in bulk density of scrap to segregate mixed metal scrap with force of water. Along with separation, it also helps by washing impurities from metal scrap such as dust, so as to ensure clean scrap gets charged in the furnace. The materials segregated are then transferred to separate conveyors, where the lady sorters manually hand pick the various metals.

### *Shredder*

Shredder is an imported equipment used for shredding of radiators and other metal scraps which assists in removal of impurities such as iron and dust from the scrap.

### *Auto chargers*

Auto chargers are equipment used for feeding aluminium scrap into the furnaces. It uses hydraulics to push the material into the furnace.

### *Ladles*

Ladles are equipment used to carry liquid aluminium, preventing loss of temperature during transit. They are lined with special refractory materials to prevent loss of temperature and to ensure non-sticking to molten aluminium.

### ***Raw Materials and Suppliers***

One of the critical factors to develop and grow in our business is to possess the ability to source good quality raw materials at competitive prices. The essential raw material used by our manufacturing facilities for production of aluminium alloy ingots and liquid aluminium alloy is aluminium based metal scrap. Our Company has the capability to procure and process a variety of aluminium based scrap such as zorba, taint tabor, tense troma, tally, among others. A brief description of some of these forms of scrap is set forth hereunder.

**Zorba** - Zorba consists of various metallic substances such as aluminium, copper, lead, magnesium, brass, stainless steel, nickel, tin and zinc in solid form. This material is generated by eddy current, air separation, flotation, screening, other segregation technique(s), or a combination thereof.

*Taint Tabor* - This is a kind of scrap which consists of clean old aluminium sheet of two or more alloys, free of foil, venetian blinds, castings, hair wire, screen wire and other non-metallic items. Our Company imports taint tabor primarily from Europe and the United States.

*Tense* - Tense consists of clean aluminium castings which may contain auto and airplane castings but no ingots. Tense imported by us is free of brass, copper and other metals. Our Company imports tense from Europe, Africa, Middle East and the United Kingdom.

*Troma* - Troma consists of clean, single-piece, un-plated aluminium wheels of a single specified alloy, free of all inserts, steel, wheel weights, valve stems, tires, grease and oil. Our Company imports troma primarily from Europe.

*Tally* - Tally consists of clean aluminium radiators and condensers. The contaminants including iron, plastic, and foam do not constitute more than one percent.

Our cost of raw materials consumed including trading purchase and increase/decrease in inventory for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016 and 2015 was ₹ 15,057.15 million, ₹ 19,035.26 million, ₹ 19,470.25 million and ₹ 17,112.35 million, which represented 85.60%, 86.91%, 91.27% and 89.78% of our revenue from operations, net of excise duty on sale of goods, respectively.

We procure all these raw materials from third party suppliers at negotiated spot rates. While we do not have any long term agreements with any of our raw material suppliers, we have maintained long term relationships with most of our major suppliers.

According to the CRISIL Report, India is significantly dependent upon imports to meet the aluminium scrap requirement. In Fiscal 2018, these imports accounted for approximately 85 - 90% of the total scrap requirement. This higher share of imported aluminium scrap is largely on account of the lack of efficient ecosystem for collection of scrap and processing facilities. Further, a large portion of aluminium scrap collected domestically is used in unorganised segments, such as making of utensils. However, with an increased focus to boost recycling globally, and establishment of necessary infrastructure to collect metal scrap domestically, availability of scrap is expected to gradually rise for the recyclers.

### ***Forex management***

We import most of our raw materials from other countries where payments are carried out in foreign currencies. This exposes us to currency fluctuation risk. The prices of our raw materials are volatile and are subject to various factors including commodity prices, global economic conditions, supply and demand dynamics and market speculation, among other factors.

Given the nature of the international scrap industry, we do not enter into any long-term contracts with our suppliers and our purchase contracts are made on spot prices. Since scrap prices are not quoted on an exchange, tools for commodity hedging, such as hedging on industrial metals trading platforms is not available to us. As a result, we, to the extent possible, structure our sale contracts with our customers such that our exposure to forex and commodities associated risks are minimized.

As a trade practice, the alloy prices are generally fixed on a monthly basis by one of our major OEM customers, which generally forms the basis for most of our customers. Various factors including movements in scrap prices and currency and average of scrap prices and forex rates of the preceding month are considered while fixing the alloy prices. Considering we make our payments to our raw materials suppliers approximately 30 days prior to the sale of our finished goods, this gives us a natural hedge against price and forex fluctuations to a large extent.

In addition, we hedge our foreign currency loans, in accordance with the requirement of the lender, to minimize our exposure to adverse currency movements.

### ***Customers***

Our customers in India are predominantly OEMs and Tier 1 companies, including some of India's well-known OEMs. As on March 31, 2018, some of our significant customers are Maruti Suzuki India Limited, Honda Cars India Limited, India Yamaha Motor Private Limited, Honda Motorcycle and Scooter India Private Limited,

Sunbeam Auto Private Limited, Rockman Industries Limited, Jaya Hind Montupet India Private Limited, Nemak Aluminium Casting India Private Limited, Ahresty India Private Limited, Toyota Industries Engine India Private Limited, Minda Industries Limited, Minda Corporation Limited and ASK Automotive Private Limited.

We rely on short term purchase orders with our customers and do not typically enter into firm-commitment, long term supply agreements. The purchase orders specify prices and quantities for the products. However, the delivery of the products ordered is based on delivery schedules that are independently negotiated with customers. These purchase orders are typically subject to conditions such as ensuring that all products delivered to the customers have been inspected and are built to customers' specifications and that orders are fulfilled according to predetermined delivery schedules. To that end, we also include pre-dispatch inspection reports with our deliveries.

### ***Our Sales and Marketing Operations***

We have a strong sales and marketing team consisting of 34 employees who work as key account managers and focus on customer development and maintaining customer relationship. Under the leadership of our Managing Director, Mohan Agarwal, this team is also responsible for the marketing of our products, negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries.

Our sales team has built long-term relationships with a number of leading OEMs and Tier 1 companies and has played an important role in helping us attain our position as a supplier of choice for many leading OEMs and Tier 1 companies.

### ***Quality Control and Services***

In the aluminium alloy manufacturing sector, adherence to quality standards is a critical factor as any defects in any of the products manufactured by our Company or failure to comply with the specifications of our customers may lead to cancellation of the purchase order placed by our customers. In order to maintain the quality standards and comply with the design specifications provided by our customers and to ensure that our products successfully pass all validations and quality checks, we employ an extensive and stringent quality control mechanism at each stage of the manufacturing process including a multi-stage check of raw materials, chemical analysis of alloys, microstructure analysis, spectrometer analysis and K mould test. At each stage of the manufacturing process, the products are checked by the operators to ensure there is no defect from the previous stage operator. Separately, our manufacturing facilities and manufacturing processes are regularly inspected by representatives of our customers. We also have a separate team of 30 employees which is responsible for quality assurance both in the manufacturing facilities, plant and machineries, and in the manufacturing processes.

Additionally, our Tatarpur Unit, Manesar Unit, Chennai Unit and Bawal Unit, each have ISO 14001:2015 accreditation certifying our environment management systems. Further, our Manesar Unit, Bhiwadi Unit, Haridwar Unit and Chennai Unit, have TS 16949:2009 accreditation, certifying our quality management systems. Our Manesar Unit and Chennai Unit also have the OHSAS 18001:2007 accreditation certifying our occupational health and safety management systems.

### ***Information Technology***

We have implemented various information technology ("IT") solutions and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. We intend to continue to focus on and make investments in our IT systems and processes, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

We also have in place a business intelligence software which is utilized for driving process improvements and supporting the entire process lifecycle, including process discovery, definition and modelling, implementation, monitoring, and analysis and continuous improvement. This is an extremely flexible software and can be tailored to match the needs of the end user. Further, our Company also employs an advanced software that allows us to plan our procurement and production processes using the linear programming technique. This software is fully integrated, programming based system that includes scrap control, inventory control, purchase evaluation, among

others. We implemented ERP systems in 2015 encompassing all business functions including production, materials, finance, inventory and human resource management. We make efforts to consistently upgrade our systems to ensure efficiency thereby leading to business continuity.

### **Intellectual Property**

As on the date of the filing of this Draft Red Herring Prospectus, the logo of our Company is registered with the Trade Marks Registry under class 6. For details, see “*Government and Other Approvals*” on page 457.

### **Health, Safety and Environment**

We aim to comply with applicable health and safety regulations and other requirements in our business operations. Some of the manufacturing facilities of our Company have accreditations such as the TS 16949:2009 for quality management systems, ISO 14001:2015 for environmental management systems and OHSAS 18001:2007 for occupational health and safety management systems. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and manufacturing facilities, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. To this end, independent third party audits are also conducted to improve safety on our shop floor.

Our Company is also committed to maintaining its strong performance on environmental indicators. Recycling aluminium has many environmental advantages over the production of aluminium afresh. As per the CRISIL Report, manufacturing one tonne aluminium from the recycled route requires aluminium scrap as a key raw material and consumes only 5 - 7% of the total power required for production of primary aluminium, thereby preserving the natural resources as well as being energy efficient. Each tonne of recycled aluminium conserves approximately 5 - 6 MT of bauxite, 1 - 1.5 MT of limestone, 20 - 25 MT of water and approximately 14,000 kwh of energy, thereby conserving approximately 95% of energy, as per International Aluminium Institute. (*Source: CRISIL Report*) Consequently, based on our sales volume, we have saved approximately 600,666 MT of bauxite, 136,515 MT of limestone, 2,457,271 MT of water and 1,528.00 million kwh of energy for the nine month period ended December 31, 2017. In addition, our Company adheres to high standards for environmental protection. For instance, one of our manufacturing facilities has been accredited by the UNFCCC as being an environmentally clean plant, eligible for carbon credits.

### **Human Resource and Employee Training**

As on March 31, 2018, we have 440 permanent employees and 2,204 contractual workmen. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. As on March 31, 2018, we had 117 employees working in the production team, 62 employees engaged in the purchase team, 60 employees engaged in the maintenance team, 42 employees engaged in the accounts and finance team and 34 employees engaged in the sales and marketing team, among others. For the purposes of recruiting employees, we use recruitment agencies and web-sites and conduct campus interviews at regular periods. Our emoluments for our staff are performance based. Employees are evaluated on a monthly basis for their performance on specified parameters and appraised on a yearly basis.

None of our employees are in a union and we have not had any material disputes with our employees in the past. As such we consider our relations with our employees to be amicable. We are committed to the development of the expertise and know-how of our employees through technical seminars and training sessions organised or sponsored by the Company. Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations.

### **Insurance**

As on the date of this Draft Red Herring Prospectus, our Company has various types of insurance policies in respect of our business, our assets such as our plants, buildings and equipment. The principal types of insurance coverage maintained by our Company and our Subsidiaries include group personal accident policies, policies for insuring our stock, workers, building, machinery, office equipment, fixtures etc. from fire damage, burglary insurance for our stock and workers, electronic equipment insurance policies, machinery breakdown policies, policies for insurance of our contractors' plant and machinery, money insurance policies, fidelity floater insurance policies, insurance for various commercial vehicles owned by our Company and Subsidiaries, and insurance

against liability, including commercial general liability and director and official liability. Our Company's insurance cover is approximately ₹ 2,392.80 million in respect of its net block of property, plant and equipment other than freehold and leasehold land which stood at ₹ 1,560.03 million as of December 31, 2017. Consequently our Company's insurance cover as a percentage of its net block of property, plant and equipment other than freehold and leasehold land as of December 31, 2017 was approximately 153.38%.

### **Corporate Social Responsibility**

As a part of our corporate social responsibility ("CSR"), we have already setup a CSR Committee comprising of our Directors, Gauri Shankar Agarwala, Mohan Agarwal and Vegulaparanan Kasi Viswanathan as its members. Our Company also incorporated CMR Welfare Foundation under the provisions of Section 8 of the Companies Act, 2013 for undertaking CSR activities. Additionally, we have also incurred substantial expenses for providing medical relief to cancer patients and by contributing to Prime Minister's relief fund. We are currently focusing on CSR activities in the areas of education, health, safety and skill developments for the youth. All these activities are being undertaken through CMR Welfare Foundation.

### **Property**

Our Registered Office, located at W 5/16, Western Avenue, Sainik Farms, New Delhi 110 062, India is occupied by us on a leasehold basis pursuant to two lease agreements, each dated April 1, 2018, entered into with our Promoter Pratibha Agarwal for occupying two separate portions of the ground floor of our Registered Office and one lease agreement, also dated April 1, 2018, entered into with our Promoter Kalawati Agarwal for occupying the first floor of our Registered Office. Our Corporate Office located at 13/6, SSR Corporate Park, 8th Floor, Sector 27 B, Delhi - Mathura Road, Faridabad 121 003, Haryana, India is also situated on premises which has been leased out to us pursuant to a lease agreement dated January 1, 2018, entered into with SSR Infra Buildtech Private Limited valid until December 31, 2022.

Further, our Tatarpur Unit is situated on premises owned by our Company, whereas our Bawal Unit, operated through our Subsidiary CMRN, is situated on premises occupied on long term lease basis, pursuant to a conveyance deed dated October 1, 2013, entered into between CMRN and Haryana State Industrial & Infrastructure Development Corporation Limited. Our Chennai Unit, operated through our Subsidiary CMRT, is situated on premises occupied by us on a long term lease basis, for a period of 99 years, pursuant to a lease agreement dated December 27, 2012, entered into between CMRT and SIPCOT. Similarly, our Haridwar Unit is situated on premises occupied by us on long term lease basis, for a period of 90 years, pursuant to a lease agreement dated May 5, 2007, entered into between our Company and SIDCUL. Additionally, our Manesar Unit is situated on premises occupied by us on lease for a period of five years, pursuant to a lease deed, with effect from March 20, 2018, entered into between our Company and M/s Ninetaur. Our Gurgaon Unit and Bhiwadi Unit have been occupied by us on lease basis for a period of three years pursuant to rent agreements entered into between our Company and one of our customers, which agreements have been, upon expiry, renewed from time to time. Further, we also plan to set up a new manufacturing facility in Gujarat under CMRN, the land for which has already been occupied on a leasehold basis for period of nine years, pursuant to a lease deed dated December 28, 2017, entered into by CMRN with our Company.

### **Competition**

The aluminum recycling industry is extremely competitive where the key factors of competition primarily comprise of product quality, cost, delivery, development and management. In this highly competitive industry, we compete with other aluminium alloy manufacturers and suppliers in the world and in India. As per the CRISIL Report, the overall market is largely dominated by small and medium sized players commanding around approximately 55 - 60% of the aggregate supply estimated for Fiscal 2018, of the aluminium recycling industry in India. Some of our competitors have better penetration in some of the geographical locations that we operate in. While we have been able to increase our market share consistently in the last five fiscals, we continue to compete with international, regional and domestic entities engaged in manufacturing and supply of aluminium alloy to the automotive industry. Some of our significant competitors in the organized segment are Century NF Casting, a division of Century Aluminium Manufacturing Company Limited, Shree Balaji Alumnicast Private Limited and Namo Alloys Private Limited.

Competition in the aluminium manufacturing industry is likely to further intensify in view of the continuing globalization and consolidation in the automotive industry. Competition is especially likely to increase as each market participant intensifies its efforts to retain its position in established markets while also developing a presence in emerging markets. For details, see, *“Risk Factors - We face competition in our product line, 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 cash flows.”* on page 25.

## KEY REGULATIONS AND POLICIES

*The following is an overview of the important laws, policies and regulations, which are relevant to our business and related sectors. The regulations set out below are not exhaustive and are only intended to provide general information. The following is neither designed nor intended to be a substitute for professional legal advice. Industry related regulations imposing duties upon service providers such as Bureau of Indian Standards Act, 2016, Legal Metrology Act, 2009 and Industrial Disputes Act, 1947 apply to us. Taxation statutes such as the I.T. Act, rules under the Goods and Services Tax Act, 2017, the FDI Circular 2017 and labour regulations such as the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Fund and Miscellaneous Act, 1952 etc. and environmental regulations apply to us as they do to any other company. For details of government approvals obtained by us in compliance with these regulations, refer to "Government and Other Approvals" on page 457. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **Environmental Legislations**

#### ***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986, as amended (the "**Environment Protection Act**") is a wide overarching legislation, which seeks to formulate laws on various environmental issues and provide for protective measures in India. Under the Environment Protection Act, the Government is empowered to take any measure it deems necessary for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes, among other things, rules for laying down standards for protecting and improving the quality of environment by setting standards for emission of discharge of environmental pollutants from various sources as provided under the Environment (Protection) Rules, 1986. The Environment Protection Act further enlists various penalties for contravention of any provision of the Environment Protection Act, including imposing fines up to ₹ 100,000 and imprisonment for up to five years, or both.

#### ***The Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**") is the primary legislation in India, which provides for prevention, control and abatement of air pollution. The Air Act seeks to protect the environment and surroundings, from any adverse effect of the pollutants, which emanate from any factory or manufacturing unit or activity. It lays down standards and requirements for the companies to adhere to, in relation to emission of pollutants by them. Pursuant to the provisions of the Air Act, any person seeking to establish or operate an industrial or manufacturing unit, is required to obtain the necessary permissions and consents, upon having complied with the technical specifications to establish and commence operations. The pollution control board of the particular state is required to, within a period of four months of the application, grant the consent if all the specifications and compliance requirements have been adhered to.

#### ***The Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974, as amended, (the "**Water Act**") is the primary legislation in India, which provides for prevention, control and abatement of water pollution, while also seeking to restore the quality of water. The Water Act seeks to protect the environment and surroundings, from any adverse effects of the effluents, which emanate from any factory or manufacturing unit or activity. It lays down standards and requirements for the companies to adhere to in relation to the discharge of effluents. Pursuant to the provisions of the Water Act, any person seeking to establish or operate an industrial or manufacturing unit, is required to obtain the necessary permissions and consents, upon having complied with the technical specifications to establish and commence operations. The pollution control board of the particular state must within a period of four months of the application, grant the consent if all the specifications have been adhered to.

#### ***The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016***

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the "**Hazardous Wastes Rules**") impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of such waste at the facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable state pollution control board. The



occupier, the importer, the transporter and the operator of such facility are liable to the environment or third party resulting from the improper handling and disposal of such waste. The Hazardous Wastes Rules permit for aluminium and zinc scrap to be imported without the permission of the Ministry of Environment, Forest and Climate Change to users and traders, who have obtained the one-time permission from the applicable state pollution control board.

## **Labour Legislations**

### ***Factories Act, 1948***

The Factories Act, 1948, as amended (the “**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed or were employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. The Factories Act, and the rules framed thereunder, also requires, among other things, maintenance of various registers dealing with safety and labour standards. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “**Contract Labour Act**”) seeks to regulate the employment of contract labourers in certain establishments and to provide for its abolition in certain circumstances. It applies to every establishment or contractor by whom 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. Further, it contains provisions regarding registration of establishments, licensing of contractors and welfare and health of the contract labour.

Additionally, our Company is required to comply with other employment and labour laws applicable in India. The following is an indicative list of additional labour laws applicable to our operations:

- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ Compensation Act, 1923;
- Employees’ State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act, 1946;
- Child Labour (Prohibition and Regulation) Act, 1986;
- The Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- The Trade Unions Act, 1926;
- The Payment of Gratuity Act, 1972;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976; and
- Public Liability Insurance Act, 1991.

## **Tax Related Legislations**

### ***The Customs Act, 1962 and The Customs Tariff Act, 1975***

Imports and the taxes imposed on them are predominantly covered within the ambit of the Customs Act, 1962, as amended and the Customs Tariff Act, 1975, as amended (together, the “**Custom Regulations**”). While, the Customs Act, 1962 classifies and segregates various goods in several categories, the Customs Tariff Act, 1975 determines the rate of the duty, which is to be imposed on importing a particular good. However, the Government has the discretion to either increase, decrease or even exempt certain goods from excise duty by notification for instance the Government, increased the custom duty on primary aluminium products from 5% to 7.5% and other aluminium products from 7.5% to 10%, through the 2016-17 budget.

### ***The Central Goods and Services Tax Act, 2017***

The Central Goods and Services Tax Act, 2017 (the “**GST Act**”) levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India, applicable from July 1, 2017. Under the GST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. Aluminium scrap falls within the 18% bracket. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (“**CGST**”) by the Central Government and State GST (“**SGST**”) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (“**IGST**”) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Additional tax related laws that are applicable to us include the Income Tax Act, 1961 along with various rules and notifications issued by the tax authorities.

### **Foreign Investment Regime**

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”), as amended from time to time and read with the applicable FEMA rules, regulations and notifications made by the Reserve Bank of India thereunder. These are further read in light of the Consolidated FDI Policy (“**FDI Policy**”), which is issued by the Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry, Government of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“**FEMA Regulations**”), as amended, to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. Under the current FDI Policy (effective from August 28, 2017), foreign direct investment in companies engaged in the manufacturing sector is permitted up to 100% of the paid up share capital of such company under the automatic route i.e. without requiring prior government approval, subject to compliance with certain prescribed pricing guidelines and reporting requirements. Additionally, the Foreign Trade (Development and Regulation) Act, 1992 (“**Foreign Trade Act**”) read with the individual trade policy of countries primarily governs the foreign policy of India. The Foreign Trade Act seeks to regulate the import and export of goods to India. The Foreign Trade Act read with the Indian foreign trade policy stipulates that no person or company may import or export goods without obtaining an importer exporter code number, unless they have been explicitly exempted by the Foreign Trade Act.

### **Other Legislations**

#### ***The Legal Metrology Act, 2009***

The Legal Metrology Act, 2009, as amended (the “**LM Act**”) seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures, sells or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify on payment of the prescribed fees. Additionally, no person shall import any weight or measure unless he is registered in such manner and on payment of the requisite fees. The LM Act enlists several penalties for the contravention of its provisions, for instance, a penalty for manufacture or sale of non-standard weight or measure may attract a fine of up to ₹ 20,000 and a subsequent offence may lead to penalties and imprisonment extending to three years. Further, whoever imports any weights or measures without being registered under the LM Act, may be punished with a fine of ₹ 25,000. The LM Act also provides for provisions relating to compounding of offences.

#### ***The Legal Metrology (Approval of Models) Rules, 2011***

The Legal Metrology (Approval of Models) Rules, 2011 (“**Approval of Models Rules**”) lay down provisions regarding approval of models of weights and measures. The Approval of Models Rules state that only recognised laboratories shall carry out tests for approval of models. Application for approval of models needs to be made to the director of legal metrology with the prescribed information. Once a model is approved, a certificate of approval is issued, pursuant to which, a license to manufacture the model may be obtained from the State Government. The procedure for issue, revocation and suspension of the certificate of approval is also laid down in the Approval of

Models Rules. The Approval of Models Rules repealed the Standard of Weights and Measures (Approval of Models) Rules, 1987.

#### ***The Haryana Fire Service Act, 2009***

The Haryana Fire Service Act, 2009, as amended (the “**Haryana Fire Service Act**”) provides for the establishment and maintenance of fire service in the state of Haryana and for matters connected therewith and incidental thereto. Any person proposing to construct a building to be used for any purpose other than residential purpose or for residential purpose of more than 15 meters in height, before the commencement of the construction, shall apply for the approval of Fire Fighting Scheme conforming to National Building Code of India, the Disaster Management Act, 2005, the Factories Act, 1948 and the Punjab Factory Rules, 1952. Upon the satisfactory compliance of the requirements under the Haryana Fire Service Act, and upon the payment of relevant fees by the applicant, the no objection certificate is issued by the relevant authority. The competent authority is required to approve the fire fighting scheme within 60 days of filing of the application.

#### ***The Rajasthan Municipalities Act, 2009***

The Rajasthan Municipalities Act, 2009, as amended seeks to consolidate laws relating to the municipalities in the state of Rajasthan and stipulates that high-rise buildings which are more than 15 meters in height are required to obtain a no objection certificate from the state fire services authority. The no objection certificate is issued upon the satisfactory compliance of the necessities and payment of the applicable costs by the applicant.

#### ***The Uttarakhand Fire and Emergency Service, Fire Prevention and Fire Safety Act, 2016***

The Uttarakhand Fire and Emergency Service, Fire Prevention and Fire Safety Act, 2016, as amended, provides for the establishment and maintenance of fire service in the state of Uttarakhand. Every building above 15 metres in height is required to obtain a consent and the chief fire officer or the fire officer, as the case may be, shall issue a no objection certificate within a period of 45 to 60 days.

#### ***The Tamil Nadu Fire Services Act, 1985***

The Tamil Nadu Fire Services Act, 1985, as amended, seeks to provide for the establishment and maintenance of fire service in the state of Tamil Nadu and stipulates that any person proposing to construct a building to be used for any purpose other than residential purpose or a building proposed to be used for residential purpose is required to obtain a fire license for building with height above 17.25 meters, before the commencement of the construction. An application is made to the director, fire and rescue services department. Upon the satisfactory compliance, the no objection certificate is issued to the applicant.

#### ***Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 2016 (the “**BIS Act**”) establishes the Bureau of Indian Standards as the National Standards Body of India, with an aim to bring more services, products and processes under the mandatory standardized regime. The BIS Act seeks to bring about a compulsory certification for all products covered under its ambit, while also containing enabling provisions to implement mandatory hallmarking of precious metal articles. The BIS Act further strengthens penal provisions for better and effective compliance, while laying down provisions for compounding of offences for repeated or multiple violations.

In addition to the above, our Company is required to comply with certain rudimentary laws, *inter alia*, in order to effectuate its business, such as the Companies Act, 2013, the Indian Contract Act, 1872 and the Sale of Goods Act, 1930.

#### ***Trade Marks Act, 1999 (“Trade Marks Act”)***

The Trade Marks Act, 1999 governs the law pertaining to protection of trade marks in India. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and provides for remedies in case of the fraudulent use of deceptively similar marks by any third party. The Trade Marks Rules, 2007 lays down certain guidelines including process for determination of “well known mark” established.

## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company

Our Company was incorporated as 'Bhairav Leasing and Finance Private Limited' on July 25, 1994 under the Companies Act, 1956 as a private limited company with a certificate of incorporation issued by the RoC. The name of our Company was changed to 'Century Aluminium Industries Private Limited' pursuant to a resolution of our Shareholders dated August 31, 2004 and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on May 31, 2005. Subsequently, pursuant to a resolution of our Shareholders dated March 27, 2006, the name of our Company was changed to 'Century Metal Recycling Private Limited' and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on April 23, 2006. On the conversion of our Company to a public limited company pursuant to a resolution passed by our Shareholders dated March 19, 2018, our name was changed to 'Century Metal Recycling Limited' and a fresh certificate of incorporation dated April 2, 2018 was issued by the RoC.

### Changes in the Registered Office

As of the date of this Draft Red Herring Prospectus, the Registered Office of our Company is situated at W5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India. Details of changes in the Registered Office of our Company since incorporation are set forth hereunder.

Date of change	Change in the address of our Registered Office	Reason of change
May 15, 1995	Shifted from N-8C, Saket, New Delhi 110 017, India to 307, Hemkunt Towers, Nehru Place, New Delhi 110 019, India	To ensure operational ease and enable greater efficiency
January 12, 1998	Shifted from 307, Hemkunt Towers, 98, Nehru Place, New Delhi 110 019, India back to N-8C, Saket, New Delhi 110 017, India	To ensure operational ease and enable greater efficiency
February 17, 2003	Shifted from N-8C, Saket, New Delhi 110 017, India to Flat no. 203, Hemkunt Towers, 98, Nehru Place, New Delhi 110 019, India	To ensure operational ease and enable greater efficiency
July 24, 2006	Shifted from Flat no. 203, Hemkunt Towers, 98, Nehru Place, New Delhi 110 019, India to F 170B, Western Avenue, Sainik Farm, New Delhi 110 062, India which address was later renumbered by the Municipal Corporation of Delhi and accordingly changed to W5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India	To ensure operational ease and enable greater efficiency

### Changes in the Memorandum of Association of our Company

The following changes have been made to the Memorandum of Association of our Company since its incorporation:

Shareholders' Approval Date	Nature of change
October 31, 1996	The authorized share capital of our Company was increased from ₹ 2,500,000, comprising 250,000 equity shares of ₹ 10 each to ₹ 5,000,000, comprising 500,000 equity shares of ₹ 10 each
November 10, 2000	The authorized share capital of our Company was increased from ₹ 5,000,000, comprising 500,000 equity shares of ₹ 10 each to ₹ 10,000,000, comprising 1,000,000 equity shares of ₹ 10 each
July 9, 2001	The main objects (Clause III) of our Company was altered to include the following:  <i>"1(a) To carry on the business or businesses of manufacturers, manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents, consultants, traders and/or distributors of and dealers in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, art ware, electrical and other engineering or casting goods etc. made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substances."</i>
February 5, 2003	The authorized share capital of our Company was increased from ₹ 10,000,000, comprising 1,000,000 equity shares of ₹ 10 each to ₹ 15,000,000, comprising 1,500,000 equity shares of ₹ 10 each

Shareholders' Approval Date	Nature of change
August 9, 2003	The authorized share capital of our Company was increased from ₹ 15,000,000, comprising 1,500,000 equity shares of ₹ 10 each to ₹ 20,000,000, comprising 2,000,000 equity shares of ₹ 10 each
August 31, 2004	<p>Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from 'Bhairav Leasing and Finance Private Limited' to 'Century Aluminium Industries Private Limited'</p> <p>The main objects (Clause III) of our Company was altered by deleting the present objects except object number 1(a) and after such alteration, the revised clause included only the following:</p> <p><i>"1(a) To carry on the business or businesses of manufacturers, manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents, consultants, traders and/or distributors of and dealers in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, art ware, electrical and other engineering or casting goods etc. made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substances."</i></p>
May 20, 2005	The authorized share capital of our Company was increased from ₹ 20,000,000, comprising 2,000,000 equity shares of ₹ 10 each to ₹ 40,000,000, comprising 4,000,000 equity shares of ₹ 10 each
March 27, 2006	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from 'Century Aluminium Industries Private Limited' to 'Century Metal Recycling Private Limited'
May 10, 2011	The authorized share capital of our Company was increased from ₹ 40,000,000, comprising 4,000,000 equity shares of ₹ 10 each to ₹ 70,000,000, comprising 7,000,000 equity shares of ₹ 10 each
September 25, 2013	The authorized share capital of our Company was increased from ₹ 70,000,000, comprising 7,000,000 equity shares of ₹ 10 each to ₹ 90,000,000, comprising 7,000,000 equity shares of ₹ 10 each and 2,000,000 preference shares of ₹ 10 each
March 19, 2018	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from 'Century Metal Recycling Private Limited' to 'Century Metal Recycling Limited' pursuant to conversion from a private company to a public company
May 11, 2018	The authorized share capital of our Company was increased from ₹ 90,000,000, comprising 7,000,000 equity shares of ₹ 10 each and 2,000,000 preference shares of ₹ 10 each to ₹ 450,000,000, comprising 430,000,000 equity shares of ₹ 10 each and 20,000,000 preference shares of ₹ 10 each

### Key Events, Milestones and Achievements

Calendar Year	Particulars of key milestones
1994	Incorporation of our Company as a private limited company, i.e. Bhairav Leasing and Finance Private Limited
2006	Commenced manufacture of aluminium and zinc alloy ingot, at our Tatarpur Unit
2008	Introduced the manufacture of liquid aluminium and zinc alloys at our Haridwar Unit
2009	Commenced operations at our Gurugram Unit by setting up a dedicated liquid aluminium manufacturing plant
2011	<p>Commenced operations at our Bhiwadi Unit by manufacturing and delivering aluminium alloy ingot and liquid aluminium alloy</p> <p>Received private equity investment from Indian Automotive Components Manufacturers Private Equity Fund – 1- Domestic</p>
2012	<p>Signed a joint venture agreement with Nikkei Aluminium MC Company Limited, Japan for setting up CMR Nikkei Private Limited at Bawal for manufacturing liquid aluminium alloy</p> <p>Signed a joint venture agreement with Toyota Tsusho Corporation, Japan for setting up CMR Toyotsu Aluminium India Private Limited at Chennai for manufacturing aluminium alloy ingot</p>
2013	<p>Commenced manufacturing liquid aluminium alloy at our Manesar Unit</p> <p>Received private equity investment from Global Scrap Processors Limited</p>
2016	Started processing zurik, a stainless steel based scrap
2018	Commenced construction of manufacturing facility pursuant to acquisition of land at Surendranagar, Gujarat

### Awards and accreditations

Calendar year	Awards and accreditations
2010	Received 'Appreciation Award- Enviro Foundryman of India' from World Foundry Organization, Birmingham, UK
2010	Received the 'Energy and Foundry Achiever Award' from South Asia Forum for Energy Efficiency
2012	Received 'Energy Conservation Conclave Ranchi - Green Foundry Crusader Award'
2013	Received vendor appreciation award for valuable contribution and support
2014	Received 'Best Delivery Performance' Award
2015	Manufacturing Unit Bawal accredited by UNFCCC as environmentally clean plant eligible for carbon credits
	Received 'Best Supplier – Business Support' Award
	Received certification of ISO/TS 16949:2009 for the Manesar Unit
2016	Received '2 <sup>nd</sup> Position in Best Importer Category- North Central Region' in the CONCOR Exim Star Award- 2016 for Sanjivani
	Received certification of ISO 14001: 2004 for the Tatarpur Unit, ISO 14001:2004 and ISO 9001:2008 for the Bawal Unit and OHSAS 18001:2007 and ISO 14001:2004 for the Manesar Unit
2017	Received the 'Best Recycler Award' in the 2nd World Non-Ferrous Awards
	Received the 'Best Debutant Supplier Award'
	Received '2 <sup>nd</sup> Position in the Best Importer Category – North Central Region' in the CONCOR Exim Star Award – 2017
	Received 'Best supplier – Business Support Award'
	Received vendor appreciation award for support and valuable contribution
2018	Received certification of ISO/TS 16949:2009 for the Haridwar Unit, Bhiwadi Unit and ISO/TS 16949:2009 and OHSAS 18001:2007 for the Chennai Unit
	Received certification of ISO 14001:2015 for the Chennai Unit

### Corporate Profile of our Company

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, market of each segment, the growth of our Company, standing of our Company in relation to prominent competitors with reference to our products and services, technology, market, capacity build-up, major suppliers and customers, foreign operations and growth, environmental issues and geographical segment, etc. (as applicable), see the sections "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 119, 99 and 416, respectively.

### Main Objects of our Company

Our main objects enable us to carry on our current business. The main objects of our Company contained in our Memorandum of Association are:

*"III. (A) 1. To carry on the business or businesses of manufacturers, manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents, consultants, traders and/or distributors of and dealers in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, artware, electrical and other engineering or casting goods etc. made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substances."*

### Our Shareholders

Our Company has 12 Shareholders as of the date of filing of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see the section "Capital Structure" on page 72.

### Injunction or restraining order

Our Company is not operating under any and there are no injunctions or restraining orders.

### Time and cost overruns

We are engaged in the manufacture and supply of aluminium and zinc alloy ingots and liquid aluminium alloys. We have not experienced any material time or cost overruns in our business operations.

## **Lock-outs, strikes etc.**

Except as mentioned below, there have been no lock-outs, strikes etc. in any of the manufacturing facilities of our Company during the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Some of the workmen at the Chennai Unit, operating through our Subsidiary CMRT, went on a strike from October 31, 2016 and raised an industrial dispute before the Assistant Commissioner of Labour (Conciliation), Sriperumbudur alleging that CMRT had failed to recognise their trade union and accordingly, had violated the provisions of the Industrial Disputes Act, 1947. The workmen ended the strike on January 8, 2017. However, failing conciliation between the trade union and CMRT, the Government of Tamil Nadu referred the dispute before the Labour Court, Chennai. For further details, refer to section “*Outstanding Litigation and Material Developments*” on page 447.

## **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 profit and loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **Capital raising through equity and debt**

Except as mentioned in the chapter “*Capital Structure*” on page 72, our Company has not raised any capital by way of equity or convertible instruments. For details of debts facilities availed by our Company, refer to the chapter “*Financial Indebtedness*” on page 444.

## **Defaults or rescheduling of borrowings from financial institutions/banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings from financial institutions/banks or conversion of loans into equity shares of our Company.

## **Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets**

Our Company has not acquired any business or undertaking, and has not undertaken any mergers, amalgamations or revaluation of assets since its incorporation.

## **Summary of Key Agreements**

### **Shareholders Agreements**

*Investment Agreement dated September 24, 2013 (“Investment Agreement”) entered into among our Company, Mohan Agarwal HUF, Gauri Shankar Agarwala HUF, Kalawati Agarwal, Pratibha Agarwal, Ramayana Polymers Private Limited, Forever Multimedia Private Limited, Sanjivani Non Ferrous Trading Private Limited, Grand Metal Recycling Private Limited and Suvridhi Financial Services Limited (collectively, the “Company Shareholders”) and Global Scrap Processors Limited (the “Investor”, and together with the Company and the Company Shareholders, the “Parties”) as amended by the amendment to the investment agreement dated June 6, 2018.*

Pursuant to the share purchase agreement dated September 24, 2013, entered into among IFCI Venture Capital Fund Limited, Global Scrap Processors Limited, Gauri Shankar Agarwala and our Company (“**AIF SPA**”), the Investor agreed to purchase 523,375 equity shares at a price of ₹ 422.02 per equity share aggregating to ₹ 220,872,451 from IFCI Venture Capital Fund Limited, and pursuant to the Investment Agreement, the Investor agreed to subscribe to 1,530,844 compulsorily convertible preference shares (“**CCPS**”) of face value ₹ 10 each, issued at a premium of ₹ 381.94 aggregating to ₹ 600,000,000, from our Company. For details of the shareholding of the Investor in our Company, see “*Capital Structure*” on page 72.

The Investment Agreement contains certain reserved matters, which require consent of the Investor, such as, among others, any change in the issued, subscribed or paid up equity or preference share capital of our Company and/or our Subsidiaries; re-organization of the share capital of our Company and/or our Subsidiaries, including

new issuance of shares or other securities of the Company; any change in ownership of our Company; or increase or decrease in the size of our Board or any committee thereof, other than as provided in the Investment Agreement. Further, in terms of the Investment Agreement, the Investor has certain special rights, including among others, the right to appoint one director on the Board of Directors of our Company and on the board of each of our Subsidiaries; right to avail information including, among others, audited financial information of our Company and our Subsidiaries after the end of each Fiscal; entitlement to anti-dilution rights, if any future issue of any equity shares is made at a price lower than ₹ 422.02 per equity share; and tag-along rights in relation to the equity shares held by it if our Company's shareholders transfer, in aggregate, more than 5% of the equity shares held by them.

Further, the Parties, Mohan Agarwal and Gauri Shankar Agarwala, entered into a Share Sale and Purchase Agreement, dated January 20, 2018 ("**Share Sale and Purchase Agreement**"), which was amended pursuant to an amendment agreement dated May 8, 2018 ("**SPA Amendment Agreement**"). Pursuant to the SPA Amendment Agreement, the Investor agreed to transfer 1,027,110 CCPS to a wholly owned entity of certain members of our Promoter Group at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer, as also mentioned in the Investment Agreement, as part of their put option right. However, as per the Share Sale and Purchase Agreement, any spill-over of the consummation of such transfer beyond a period of 180 days from the date of the Share Sale and Purchase Agreement would result in an increase in the IRR to 20%, with effect from the date of completion as per the Investment Agreement. Furthermore, a letter dated May 29, 2018 was issued by our Company to the Investor (the "**CCPS Conversion Letter**") indicating that the 1,027,110 CCPS to be transferred by the Investor to GMRPL and the balance 389,512 CCPS held by the Investor would, prior to the filing of the Red Herring Prospectus with the RoC, be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held.

Additionally, the Investment Agreement was amended pursuant to an amendment to the investment agreement dated June 6, 2018 entered into between the Parties ("**IA Amendment Agreement**") pursuant to which the Investor has agreed to waive certain of its rights under the Investment Agreement from the date of this Draft Red Herring Prospectus. Additionally, the Investor also issued a letter dated May 7, 2018 pursuant to which it has agreed to waive its right to exercise put option on our Company, our Promoters and the members of our Promoter Group, subject to the Draft Red Herring Prospectus being filed with the SEBI on or before April 1, 2019, in compliance with the SEBI ICDR Regulations. Further, the Investment Agreement and the IA Amendment Agreement shall automatically terminate upon the consummation of an initial public offering by our Company, without requiring any further action by any party.

#### **Other material agreements**

Except as mentioned below, our Company has not entered into any material agreement, other than a contract entered into in the ordinary course of business carried on or intended to be carried on by our Company or a contract entered into more than two years before the date of this Draft Red Herring Prospectus.

#### ***Joint venture agreement dated July 25, 2012 entered into between our Company and Nikkei Aluminium MC Company Limited ("**CMRN Joint Venture Agreement**")***

Our Company and Nikkei executed the CMRN Joint Venture Agreement to set up our joint venture entity, CMRN for the purpose of manufacturing, importing, exporting, processing of primary and secondary metal, metal scrap recycling and selling of aluminium alloy and zinc alloy in liquid and ingot form (the "**Products**"). Our Company holds 74% and Nikkei holds 26% of the equity share capital of CMRN.

Pursuant to the CMRN Joint Venture Agreement, CMRN established its manufacturing facility at Bawal, Haryana. Our Company also agreed to enter into a customer relationship transfer agreement in order to introduce certain potential customers to CMRN for selling the Products. In terms of allocation of customers by our Company to CMRN, our Company agreed that in case the customer is located within the Bawal industrial zone or within a radius of 25 kilometres of Bawal industrial zone including Neemrana industrial zone but excluding Bhiwadi area ("**Defined Area**"), irrespective of whether such customer is developed through the Company and/or Nikkei efforts or owing to a relationship of either the Company or Nikkei, and irrespective of whether the Company was earlier supplying to such customer, after the date of commencement of commercial production by CMRN, all supplies to such customers be routed through CMRN only. Further, the customers located outside the Defined Area would be supplied through our Company, except in case of a mutual agreement between our Company and Nikkei that



due to cost efficiency the supplies be routed through CMRN. Additionally, our Company and Nikkei agreed to not, without the prior written consent of the other party, as applicable, either by itself or through its affiliate, enter into another joint venture agreement or technical assistance agreement, directly or indirectly, for the purpose of carrying out activities of a nature similar to us, within a radius of 300 kilometres of Bawal industrial zone. Furthermore, our Company and Nikkei have undertaken to consider each other as a preferred partner in India for future ventures of a nature similar to that of CMRN.

Pursuant to CMRN Joint Venture Agreement, certain additional agreements were entered into such as the name license agreement between CMRN and Nikkei to use the name ‘NMA’ or ‘Nikkei’; the name license agreement between CMRN and our Company to use the name ‘CMR’; agreement between our Company and CMRN for the transfer of Ahresty India Private Limited, our Company’s customer to CMRN; and agreement for procurement of raw material between CMRN and our Company for supply of raw materials to CMRN.

Further, the CMRN Joint Venture Agreement is subject to termination upon a mutual written agreement between our Company and Nikkei; or liquidation of CMRN or our Company; or Nikkei ceasing to be a shareholder of CMRN, except where our Company or Nikkei ceases to be a shareholder of CMRN on account of transfer of its shareholding in CMRN to an affiliate; or our Company and Nikkei agreeing that any of the conditions precedent to the CMRN Joint Venture Agreement cannot be satisfied; or the shareholding of either our Company or Nikkei, including any affiliate which has acquired shares of CMRN from either our Company or Nikkei and has signed the affiliate deed of adherence, falls below 5% on a fully diluted basis.

***Joint venture agreement dated September 4, 2012 between our Company and Toyota Tsusho Corporation (“CMRT Joint Venture Agreement”)***

Our Company and Toyota Tsusho executed the CMRT Joint Venture Agreement to set up our joint venture entity, CMRT for the purpose of manufacturing, distributing and selling recycled aluminum and zinc alloy and any other products as agreed (the “**Products**”). As on the date of this Draft Red Herring Prospectus, our Company holds 90% and Toyota Tsusho holds 10% of the equity share capital of CMRT.

Pursuant to the CMRT Joint Venture Agreement, CMRT established its manufacturing facility at Chennai, Tamil Nadu. Our Company agreed, *inter alia* to provide CMRT all information and advice required for the manufacturing of the Products, provide quality control of the Products and operations of CMRT, cooperate with CMRT by providing technical support and to act as an exclusive agent of CMRT in selling the Products to one of the significant customers inside India. Further, Toyota Tsusho agreed to cooperate with CMRT by providing technical support in consideration of a support fee from our Company and by providing marketing support to CMRT, among others.

Pursuant to the CMRT Joint Venture Agreement, certain additional agreements were entered into such as the technical support agreement between Toyota Tsusho and CMRT for providing technical support to CMRT; agreement between CMRT and Toyota Tsusho wherein CMRT was to act as an authorized agent of Toyota Tsusho for liaising with and procuring order for the Products from the customers; agreement between our Company and CMRT pursuant to which our Company was required to provide certain technological know-how for use in the facilities of CMRT; agreement between our Company and CMRT pursuant to which our Company will be liaising with and procuring order for the products from the customers and agreement entered into between our Company and CMRT pursuant to which our Company will facilitate buying, indenting or arranging the raw materials against specific demand or instruction from CMRT.

Further, in accordance with the terms of the CMRT Joint Venture Agreement, the shareholders of CMRT and any person directly or indirectly controlled by such shareholder will not during the term of the agreement and for a period of three years after the termination of the agreement, directly own, maintain, operate, engage in, or have any interest, as a shareholder, lender, advisor, consultant, employee, director, or the like, in any project, or person, or business in the states of Karnataka and /or Tamil Nadu which is competitive with CMRT’s business, without the prior written consent of the other shareholder. The CMRT Joint Venture Agreement shall be terminated by either the mutual written agreement of the Company and CMRT, or if either of the Company or Toyota Tsusho hold 95%, or more, of shareholding of CMRT.

A copy of these agreements forms a part of the ‘Material Contracts and Documents for Inspection’ and may be inspected in such manner as stated in the section “*Material Contracts and Documents for Inspection*” on page 416.

**Holding Company**

Our Company does not have a holding company.

**Strategic and financial partners**

Our Company does not have any strategic or financial partnerships as of the date of filing this Draft Red Herring Prospectus.

**Guarantees provided by the Promoter Selling Shareholders**

Our Promoters, Gauri Shankar Agarwala and Mohan Agarwal have provided personal guarantees amounting to ₹ 3,326.20 million and ₹ 3,556.20 million, respectively, in relation to the loan facilities availed by our Company. For details regarding such loans guaranteed, see section “*Financial Indebtedness*” on page 444. In terms of the loan documents, the period of guarantee subsists during the tenure of the relevant facility. Any default or failure by us to repay these loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters. Please see “*Risk Factors – Our Promoters have provided personal guarantees for a significant portion of our borrowings to secure certain of our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company’s borrowings.*” and “*Financial Indebtedness*” on pages 38 and 444, respectively.

## OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries namely, CMR Nikkei India Private Limited, CMR Toyotsu Aluminum India Private Limited, CTA Trading Private Limited and CMR Welfare Foundation. CMR Nikkei India Private Limited and CMR Toyotsu Aluminum India Private Limited are also our joint ventures entities. The details of our Subsidiaries are disclosed hereunder.

### 1. CMR Nikkei India Private Limited

#### *Corporate Information*

CMR Nikkei India Private Limited (“**CMRN**”), formed pursuant to a joint venture agreement between our Company and Nikkei, was incorporated on July 27, 2012 as a private limited company with the name ‘CMR Metal Industries Private Limited’. Pursuant to change of name to ‘CMR Nikkei India Private Limited’ a fresh certificate of incorporation was issued on September 13, 2012 by the RoC. The registered office of CMRN is situated at village Tatarpur, district Palwal, Haryana 121 102, India. The corporate identity number of CMRN is U37100HR2012PTC046602.

CMRN is authorised under its memorandum of association to carry out the business of, among others, manufacturing, assembling, exporting and distributing and dealing in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, artware, electrical and other engineering or casting goods etc, made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substances.

#### *Capital Structure*

The authorised share capital of CMRN is ₹ 850,000,000 divided into 85,000,000 equity shares having a face value of ₹ 10 each and its issued and paid up equity share capital is ₹ 829,729,750 divided into 82,972,975 equity shares of face value of ₹ 10 each.

#### *Shareholding*

The shareholding pattern of CMRN as on date of this Draft Red Herring Prospectus, is given below:

#### *Equity share capital*

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up equity share capital (%)
Century Metal Recycling Limited	61,400,000	74.00
Nikkei	21,572,975	26.00
<b>Total</b>	<b>82,972,975</b>	<b>100.00</b>

### 2. CMR-Toyotsu Aluminium India Private Limited

#### *Corporate Information*

CMR-Toyotsu Aluminium India Private Limited (“**CMRT**”), formed pursuant to a joint venture agreement between our Company and Toyota Tsusho, was originally incorporated on July 4, 2012 as a private limited company with the name ‘CMR Aluminium Company Private Limited’. Pursuant to change of name to ‘CMR-Toyotsu Aluminium India Private Limited’ a fresh certificate of incorporation was issued on November 1, 2012 by the RoC. The registered office of CMRT is situated at village Tatarpur, district Palwal, Haryana 121 102, Faridabad, India. The corporate identity number of CMRT is U37100HR2012PTC046421.

CMRT is authorised under its memorandum of association to carry out the business of, among others, manufacturing, assembling, exporting and distributing and dealing in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, artware, electrical and other engineering or casting goods etc, made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substance.

#### *Capital Structure*

The authorised share capital of CMRT is ₹ 950,000,000 divided into 95,000,000 equity shares having a face value of ₹ 10 each and its issued and paid up share capital is ₹ 750,000,000 divided into 75,000,000 equity shares of face value of ₹ 10 each.

### **Shareholding**

The shareholding pattern of CMRT as on date of this Draft Red Herring Prospectus, is given below:

#### *Equity share capital*

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of the issued and paid-up equity share capital (%)</b>
Century Metal Recycling Limited	67,500,000	90.00
Toyota Tsusho	7,500,000	10.00
<b>Total</b>	<b>75,000,000</b>	<b>100.00</b>

### **3. CTA Trading Private Limited**

#### **Corporate Information**

CTA Trading Private Limited (“CTPL”) was incorporated on December 12, 2015 as a private limited company with the name ‘CTA Trading Private Limited’ and a certificate of incorporation dated December 12, 2015 was issued by the RoC. The registered office of CTPL is situated at Unit No. 802, 803, 8<sup>th</sup> Floor, SSR Corporate Park, Sector-27 B, Faridabad 121 003, Haryana, India. The corporate identity number of CTPL is U51909HR2015PTC057533.

CTPL is authorised to carry on the business of manufacturers, fabricators, re-cyclers, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents, consultants, traders and/or distributors of and dealers in all kind of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, art ware, electrical and other engineering casting goods made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, nonferrous, metallic or non-metallic substances.

#### **Capital Structure**

The authorised share capital of CTPL is ₹ 1,000,000 divided into 100,000 equity shares having a face value of ₹ 10 each and its issued and paid up equity share capital is ₹ 1,000,000 divided into 100,000 equity shares of face value of ₹ 10 each.

### **Shareholding**

The shareholding pattern of CTPL as on date of this Draft Red Herring Prospectus, is given below:

#### *Equity share capital*

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of the issued and paid-up equity share capital (%)</b>
CMRT	99,999	99.99
Gauri Shankar Agarwala*	1	Negligible
<b>Total</b>	<b>100,000</b>	<b>100.00</b>

\*As a nominee of CTPL

### **4. CMR Welfare Foundation**

#### **Corporate Information**

CMR Welfare Foundation (“CMRW”) was incorporated on January 16, 2018 as a private limited company, incorporated under the provisions of Section 8 of the Companies Act, 2013 with a certificate of incorporation dated January 16, 2018 was issued by the RoC. The registered office of CMRW is situated at F-170 B, Western

Avenue, Sainik Farm, New Delhi 110 062, India. The corporate identity number of CMRW is U74994DL2018NPL328541.

CMRW is authorised, among others to set up educational, training institute, spent fund for the development of rural area and slum area and to set up/promote skill development centers for imparting training, to promote, counsel, encourage, organize, operate and consult schools, colleges for primary, secondary and higher education in India and abroad, including professional education, engineering, medicine, management, law, education etc. and to facilitate, initiate and help universities/institutions/schools to undertake global and Indian accreditation initiatives for enhancing education quality output in India. CMRW is undertaking activities under the CSR policy of the Company.

### ***Capital Structure***

The authorised share capital of CMRW is ₹ 100,000 divided into 10,000 equity shares having a face value of ₹ 10 each and its issued and paid up equity share capital is ₹ 100,000 divided into 10,000 equity shares of face value of ₹ 10 each.

### ***Shareholding***

The shareholding pattern of CMRW as on date of this Draft Red Herring Prospectus, is given below:

#### ***Equity share capital***

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of the issued and paid-up equity share capital (%)</b>
Century Metal Recycling Limited	9,000	90.00
Gauri Shankar Agarwala	1,000	10.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

### **Accumulated Profits or Losses**

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

### **Other Confirmations**

None of our Subsidiaries have made any public or rights issue to public in the last three years and have not become a sick company as specified under SICA and no winding up proceedings have been initiated against them.

Except CMRT which incurred losses in Fiscal 2016 and 2015 and CTPL which incurred losses in Fiscal 2017 and 2016, none of our Subsidiaries have incurred losses in the Fiscals 2017, 2016 and 2015. For details, see the section, “*Risk Factors*” on page 17.

None of our Subsidiaries are listed on any stock exchange (in India or otherwise) nor have our Subsidiaries been refused listing on any stock exchange (in India or otherwise).

### **Interest in our Company**

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries hold any Equity Shares in our Company.

Our Subsidiaries do not have any interest in our Company’s business other than as stated in the sections “*Our Business*” and “*Related Party Transactions*” on pages 119 and 186, respectively.

### **Material Transactions**

Other than as disclosed in the sub-sections titled “*Related Party Transactions*” on page 186, there are no sales or purchase between our Subsidiaries and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company, for Fiscals 2013, 2014, 2015, 2016, 2017 and the nine month period ended December 31, 2017.

**Associate Company**

Except Suvridhi Financial Services Limited in which our Company holds 22.82% of the equity share capital, our Company does not have any associate company as on the date of this Draft Red Herring Prospectus.

**Common Pursuits**

Except CMRW, all our Subsidiaries are engaged in business similar to the business of our Company. Our Company would adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise.

## OUR MANAGEMENT

### Board of Directors

Under the provisions of the Articles of Association, our Company is required to appoint not less than three Directors and not more than eight Directors. As on the date of this Draft Red Herring Prospectus, our Company has eight Directors on its Board, comprising three Executive Directors, one Non Executive Nominee Director and four Independent Directors, including one woman Director.

The following table sets forth details of the Board of Directors as of the date of this Draft Red Herring Prospectus:

Name, address, designation, occupation and term	Age (Years)	Other directorships / Limited Liability partnership
<b>Gauri Shankar Agarwala</b>  <b>Designation:</b> Chairman and Executive Director  <b>Address:</b> W-5/16, Western Avenue, Sainik Farm, Deoli, New Delhi 110 062, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Liable to retire by rotation  <b>DIN:</b> 00595378	77	<i>Indian Companies</i>  1. CMR Nikkei India Private Limited 2. CMR Toyotsu Aluminium India Private Limited 3. CMR Welfare Foundation 4. CTA Trading Private Limited 5. Grand Metal Industries Private Limited 6. Grand Metal Recycling Private Limited  <i>Foreign Companies</i>  Nil
<b>Mohan Agarwal</b>  <b>Designation:</b> Managing Director  <b>Address:</b> W-5/16, Western Avenue, Sainik Farm, Deoli, New Delhi 110 062, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Five years with effect from May 11, 2018 until May 10, 2023  <b>DIN:</b> 00595232	54	<i>Indian Companies</i>  1. CMR Nikkei India Private Limited 2. CMR Toyotsu Aluminium India Private Limited 3. CTA Trading Private Limited 4. Grand Metal Industries Private Limited 5. Grand Metal Recycling Private Limited  <i>Foreign Companies</i>  Nil
<b>Akshay Agarwal</b>  <b>Designation:</b> Whole-time Director  <b>Address:</b> W-5/16, Western Avenue, Sainik Farm, Deoli, New Delhi 110 062, India  <b>Occupation:</b> Service  <b>Nationality:</b> Indian  <b>Term:</b> Liable to retire by rotation  <b>DIN:</b> 07175149	26	<i>Indian Companies</i>  Nil  <i>Foreign Companies</i>  Nil
<b>Peter Francis Amour*</b>  <b>Designation:</b> Non Executive Nominee Director <sup>#</sup>  <b>Address:</b> Apt 0783, Tower 15, Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong  <b>Occupation:</b> Service	59	<i>Indian Companies</i>  1. CMR Nikkei India Private Limited  <i>Foreign Companies</i>  1. Able Surge Holdings Limited 2. Adorer Limited

Name, address, designation, occupation and term	Age (Years)	Other directorships / Limited Liability partnership
<b>Nationality:</b> Australian  <b>Term:</b> Liable to retire by rotation  <b>DIN:</b> 00071314		3. AIF Capital Asia III GP Limited 4. AIF Capital Asia IV GP Limited 5. AIF Capital Asia Management IV Limited 6. AIF Capital Asia Management Limited 7. AIF Capital China Limited 8. AIF Capital Development Limited 9. AIF Capital III Life Science Limited 10. AIF Capital Innovations Limited 11. AIF Capital Limited 12. AIF Capital Machinery Investment Limited 13. AIF Capital Steel Investment Limited 14. AIFCP Mauritius Direct Investment Limited 15. Bolgheri Limited 16. Broad Harvest Holdings Limited 17. Global Scrap Processors Limited 18. Good View Group Limited 19. Hope Sun Holdings Limited 20. Huy Vietnam Group Limited 21. Keira International Limited 22. LW Capital Investments Limited 23. Ocean Wonder International Limited 24. Orizaba Limited 25. Randwick Enterprises Limited 26. Rowlings Investments Limited 27. Scenery Sharp Investment Limited 28. Serene Peace Limited 29. Sonic Robust Limited 30. South Bay Investments Pty Limited 31. Spring Day Global Limited 32. Succeed Global Limited 33. Tenda Holding Limited 34. Varina Group Limited 35. X-FIPER New Material Company Limited 36. Zeeman Limited
<b>Vegulaparanan Kasi Viswanathan</b>  <b>Designation:</b> Independent Director  <b>Address:</b> F 01, 1st Floor, Legacy Caldera, 56, SRT Road, Cunningham Cross Road, Bangalore, Karnataka 560 052, India  <b>Occupation:</b> Service  <b>Nationality:</b> Indian  <b>Term:</b> Five years with effect from September 28, 2015, until September 27, 2020  <b>DIN:</b> 01782934	67	<i>Indian Companies</i>  1. Bharti Airtel Limited 2. Bosch Limited 3. HDFC Standard Life Insurance Company Limited 4. K S B Pumps Limited 5. Magma Fincorp Limited 6. Magma HDI General Insurance Company Limited 7. TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) 8. United Spirits Limited  <i>Foreign Companies</i>  Nil
<b>Nina Chatrath</b>  <b>Designation:</b> Independent Director  <b>Address:</b> 1-A, Nizamuddin East, New Delhi 110 013, India  <b>Occupation:</b> Business	55	<i>Indian Companies</i>  1. Dwarikesh Sugar Industries Limited  <i>Foreign Companies</i>  Nil



Name, address, designation, occupation and term	Age (Years)	Other directorships / Limited Liability partnership
<b>Nationality:</b> Indian  <b>Term:</b> Five years, with effect from February 19, 2018, until February 18, 2023  <b>DIN:</b> 07700943		
<b>Balvinder Kumar</b>  <b>Designation:</b> Independent Director  <b>Address:</b> 6C, HUDCO Place, New Delhi, 110 049, India  <b>Occupation:</b> Service  <b>Nationality:</b> Indian  <b>Term:</b> Five years with effect from March 1, 2018, until February 28, 2023  <b>DIN:</b> 01647940	61	<i>Indian Companies</i>  Nil  <i>Foreign Companies</i>  Nil
<b>Gyan Mohan</b>  <b>Designation:</b> Independent Director  <b>Address:</b> 323 A, Patliputra Colony, Patna, Bihar, 800 013, India  <b>Occupation:</b> Service  <b>Nationality:</b> Indian  <b>Term:</b> Five years with effect from April 23, 2018, until April 22, 2023  <b>DIN:</b> 078164704	61	<i>Indian Companies</i>  1. ADI Chitragupta Finance Limited  <i>Foreign Companies</i>  Nil

\* Pursuant to a resolution of our Board dated February 19, 2018, Abir Seth was appointed as an alternate director to Peter Francis Amour.  
 # Nominee of Global Scrap Processors Limited, pursuant to the Investment Agreement. For more information, see the section "History and Corporate Structure" on page 145.

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are those whose period of office is liable to determination by retirement by rotation and one-third of such number of Director are liable to be retire by rotation at every annual general meeting of the Company.

### Brief Profiles of our Directors

**Gauri Shankar Agarwala**, aged 77 years, is the Chairman and Executive Director of our Company. He holds a bachelor's degree in arts and a bachelor's degree in laws from the University of Calcutta. He has vast experience in various fields, including law, finance and taxation. He has been associated with our Company since its incorporation.

**Mohan Agarwal**, aged 54 years, is the Managing Director of our Company. He holds a bachelor's degree in commerce from University of Delhi. He has been associated with our Company since its incorporation. He has over 24 years of experience in the aluminium alloys recycling industry. He has also been on the board of Bureau of International Recycling.

**Akshay Agarwal**, aged 26 years, is a Whole-time Director of our Company. He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology and Science, Pilani, Goa. He has more than three years of experience in the aluminium alloys recycling industry. He has been on our Board since November 17, 2017. He will be pursuing the post graduate programme in management for family business from Indian School of Business, Hyderabad from August 2018 onwards.

**Peter Francis Amour**, aged 59 years, is the nominee Director of Global Scrap Processors Limited, on the Board of our Company. He holds a bachelor's degree in commerce (accounting, finance and systems) and a bachelor's degree in law, both from the University of New South Wales, Australia. He also holds a master's degree in law from the University of Melbourne, Australia. He joined our Board with effect from January 11, 2018. He has over 23 years of experience in private equity investment, finance and industry in Asia. In addition to his position on our Board, he is also presently the chief executive officer of AIF Capital Limited. Prior to joining AIF Capital Limited, he worked with, C.P Pokphand Company Limited, Hong Kong as vice president.

**Vegulaparanan Kasi Viswanathan**, aged 67 years, is an independent Director of our Company. He holds a bachelor's degree in commerce from the University of Madras and is also a qualified Chartered Accountant. He has been on our Board since September 30, 2014. He has multiple years of experience in the automotive industry. He has previously served as the chairman of Bosch Limited. He was the president of the Indo-German Chamber of Commerce.

**Nina Chatrath**, aged 55 years, is an independent Director of our Company. She holds a bachelor's degree in commerce from the University of Delhi. She has over 20 years of experience in business and consulting, with a focus on impact of leadership on business performance, organization building and management of talent. She joined our Board with effect from February 19, 2018. Prior to her appointment on our Board, she was associated with Heidrick & Struggles as a senior partner and with Korn Ferry International Private Limited as a managing associate. She founded Enhance Consulting, a boutique leadership consulting firm in New Delhi.

**Balvinder Kumar**, aged 61 years, is an independent Director of our Company. He also holds a master's in philosophy in Botany from University of Delhi and a master's in development administration from the University of Birmingham, United Kingdom. He joined our Board with effect from March 1, 2018. He joined the Indian Administrative Service in 1981. He has over 34 years of experience in serving the Government of India in sectors ranging from revenue administration, taxation, industrial development, women and child development, housing sector, trade and taxes, among others under various ministries of the Government of India.

**Gyan Mohan**, aged 61 years, is an independent Director of our Company. He has a bachelor's degree in arts (Economics) from Patna University and a diploma in financial services management from the University of Bombay. He is a member of the Indian Institute of Bankers. He has been associated with our Company since April 23, 2018. He has multiple years of experience in banking and investment banking and he has in the past been associated with IDBI Capital Markets Services Limited, State Bank of India Limited, Fortune Financial Services (India) Limited and Power Exchange India Limited.

### **Confirmation**

None of our Directors is or was a director of any listed company on the BSE or NSE, whose shares have been or were suspended from being traded, during the last five years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our Directors have been or was identified as a wilful defaulter as defined under the SEBI ICDR Regulations.

Neither our Company nor any of our Directors have committed any violation of securities laws in the past and no such proceedings (initiated by the SEBI or otherwise) are pending against our Company or our Directors.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

### **Relationship between Directors**

Gauri Shankar Agarwala is the father of Mohan Agarwal and Mohan Agarwal is the father of Akshay Agarwal. Except as stated hereinbefore, none of our Directors are related to each other.

## Terms of Appointment of our Managing Director and Whole-time Director

### *Gauri Shankar Agarwala*

Gauri Shankar Agarwala was last reappointed as a Non Executive Director of our Company pursuant to Board and Shareholders resolution dated September 28, 2015. His designation was changed from a Non Executive Director to an Executive Director pursuant to a resolution of our Board dated May 8, 2018 and he is liable to retire by rotation. Pursuant to Board resolution dated February 19, 2018, his remuneration was revised and currently includes the following:

Particulars	Remuneration
Remuneration	₹ 0.35 million per month with effect from April 1, 2018
Perquisites	Rent free accommodation for up to ₹ 1.80 million per month

### *Mohan Agarwal*

Mohan Agarwal was last reappointed as our Managing Director with effect from November 17, 2017 for a term of five years pursuant to a resolution of our Board dated November 17, 2017 and a resolution of our Shareholders dated May 11, 2018. The significant terms of his remuneration and employment include the following:

Particulars	Remuneration
Remuneration	₹ 1.30 million per month
Perquisites	Rent free accommodation of ₹ 44,000 per month
Car with chauffeur perquisites	Free use of Company's car partly for official and partly for private purpose.

### *Akshay Agarwal*

Akshay Agarwal was appointed as a Non Executive Director pursuant to resolution of our Board dated May 8, 2018 and subsequently, pursuant to a resolution of our Shareholders dated May 11, 2018 he was designated as Whole-time Director of the Company, who is liable to retire by rotation. As a Non Executive Director, Akshay Agarwal was not entitled to remuneration until May 11, 2018, however, pursuant to appointment letter dated June 7, 2017, Akshay Agarwal was appointed as the General Manager, Materials in our Company. As General Manager, Materials, Akshay Agarwal received a gross remuneration of ₹ 2.52 million in Fiscal 2018.

Pursuant to Board resolution dated February 19, 2018, the terms of remuneration of Akshay Agarwal, as Whole-time Director, have been revised and is as following:

Particulars	Remuneration
Remuneration	₹ 0.28 million per month with effect from April 1, 2018

## Payment or Benefit to Directors/Officers of our Company

The remuneration paid to our Directors for Fiscal 2018 is as follows:

### 1. Remuneration to Executive Directors

(in ₹ million)

Sr. No.	Name of Directors	Amount for Fiscal 2018
1.	Gauri Shankar Agarwala	2.55
2.	Mohan Agarwal	17.48
3.	Akshay Agarwal*	2.57

\*Akshay Agarwal was appointed as a Non Executive Director on the board of the Company with effect from November 17, 2017. The remuneration includes the compensation paid to him for his position in the Company as General Manager, Materials.

### 2. Remuneration to Non Executive Directors

Our Company pays a sitting fee of ₹ 0.10 million to its Non Executive Directors for attending the meetings of our Board, ₹ 0.05 million for attending each meeting of our committees and ₹ 0.03 million for each Board/committee meeting that is attended through video-conferencing. The details of sitting fees paid to our Non Executive Directors in Fiscal 2018 is set forth hereunder.

(in ₹ million)

Sr. No.	Name of Directors	Amount for Fiscal 2018
1.	Vegulaparanan Kasi Viswanathan	0.80
2.	Peter Francis Amour <sup>#</sup>	Nil
3.	Nina Chatrath <sup>*</sup>	Nil
4.	Balvinder Kumar <sup>**</sup>	Nil
5.	Gyan Mohan <sup>***</sup>	Nil

<sup>#</sup>Peter Francis Amour has been appointed as Non Executive Nominee Director on our Board with effect from January 11, 2018.

<sup>\*</sup>Nina Chatrath has been appointed as independent Director on our Board with effect from February 19, 2018.

<sup>\*\*</sup>Balvinder Kumar has been appointed as independent Director on the Board with effect from March 1, 2018.

<sup>\*\*\*</sup>Gyan Mohan has been appointed as independent Director on the Board with effect from April 23, 2018.

### Bonus or profit sharing plan for our Directors

Except as disclosed in “Our Management - Terms of Appointment of our Managing Director and Whole-time Director” on page 160, we have no bonus or profit sharing plan for our Directors.

### Borrowing powers of the Board

Pursuant to our Articles, the applicable provisions of the Companies Act, 2013 and Shareholders resolution dated May 11, 2018, our Board has been authorised to borrow any sum or sums of monies, on such terms and conditions as the Board may deem fit, notwithstanding that, the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed in the aggregate, for the time being, the paid-up capital of the Company and its free reserves and securities premium account, the total amount up to which the monies may be borrowed under section 180(1)(c) of the Companies Act, 2013, shall not at any point exceed ₹ 10,000 million, excluding interest thereon.

### Shareholding of Directors in our Company

Except as stated below, none of our Directors hold any Equity Shares in our Company:

Name of Director	No. of Equity Shares	% shareholding as on Draft Red Herring Prospectus	% shareholding prior to the Offer <sup>*</sup>
Gauri Shankar Agarwala	2,670,856	10.70	8.72
Mohan Agarwal	3,155,820	12.65	10.31

<sup>\*</sup> As on the date of the Draft Red Herring Prospectus, there are 1,416,622 CCPS outstanding, currently held by Global Scrap Processors Limited. However, in accordance with the terms of the Share Sale and Purchase Agreement, as amended by the SPA Amendment Agreement (each as defined in the section “History and Corporate Structure”) and as acknowledged by our Company pursuant to the CCPS Conversion Letter, after the filing of the Draft Red Herring Prospectus, 1,027,110 CCPS will be transferred by Global Scrap Processors Limited to one of the members of our Promoter Group, GMRPL at a purchase consideration to be computed after giving effect to an IRR of 18%, applicable until the date of consummation of such transfer. These 1,027,110 CCPS held by GMRPL and the remaining 389,512 CCPS held by Global Scrap Processors Limited will be converted into 4,108,440 Equity Shares and 1,558,048 Equity Shares, respectively, in the ratio of four Equity Shares for every CCPS held, prior to filing of the Red Herring Prospectus with the RoC. For further details, see “History and Corporate Structure” on page 145. Accordingly, the percentage of pre-Offer percentage shareholding has been calculated based on a capital of 30,616,876 Equity Shares (i.e. the issued, subscribed and paid up capital prior to the Offer and post conversion of the CCPS.)

For further details, see “Capital Structure- Shareholding of Promoters and the Promoter Group” on page 78.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

### Interests of Directors

All of our Directors, including independent Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof, remuneration, reimbursement of expenses payable to them and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Additionally, our Whole-time Director, Akshay Agarwal is also interested in our Company to the extent he receives remuneration for his services as General Manager, Materials of the Company. Further, our Chairman and Executive Director Gauri Shankar Agarwala and our Managing Director Mohan Agarwal are interested to the extent Raghav Agarwal, who is the son of Mohan Agarwal, receives remuneration

for his services as Head of Finance in the Company.

Except for our Promoters, Mohan Agarwal and Gauri Shankar Agarwala, none of our Directors are interested in the promotion of our Company.

Our Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. The Directors, including independent Directors, may also be regarded as interested in Equity Shares held by or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, partners and trustees. For the shareholding of the Directors, see the sub-section titled “– *Shareholding of Directors in our Company*” on page 161.

### **Interest in Property**

Except as disclosed in “*Our Promoters and Promoter Group*” and “*Related Party Transactions*” on pages 174 and 186 respectively, our Directors have no interest in any property acquired by or proposed to be acquired by our Company two years prior to the date of this Draft Red Herring Prospectus and are not interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery. None of our Directors have any interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.

### **Arrangements and Understanding with Major Shareholders**

Except Peter Francis Amour, who is appointed as a nominee of Global Scrap Processors Limited pursuant to the provisions of the Investment Agreement and our Articles of Association, none of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others. For details regarding the shareholders agreement, see section “*History and Corporate Structure – Summary of Key Agreements*” on page 148.

### **Contingent and deferred compensation payable to Directors**

There are no contingent or deferred compensation payable to Directors, which does not form part of their remuneration.

### **Service Contracts with Directors**

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### **Changes in our Board of Directors during the last three years**

<b>Name</b>	<b>Date of appointment/ cessation</b>	<b>Reason</b>
Akshay Agarwal	May 11, 2018	Change in designation from Non Executive Director to Whole-time Director
Gauri Shankar Agarwala	May 8, 2018	Change in designation from Non Executive Director to Executive Director
Gyan Mohan	April 23, 2018	Appointment as Independent Director
Balvinder Kumar	March 1, 2018	Appointment as Independent Director
Nina Chatrath	February 19, 2018	Appointment as Independent Director
Peter Francis Amour	January 11, 2018	Appointment as Nominee Director
Ashish Ahluwalia	January 11, 2018	Resignation due to personal reasons
Akshay Agarwal	November 17, 2017	Appointed as Non Executive Director
Mayank Pareek	January 29, 2016	Resignation due to personal reasons
Ajay Lal	September 28, 2015	Resignation due to personal reasons

### **Corporate Governance**

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in

respect of corporate governance, in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

The corporate governance framework is based on an effective, independent Board, separation of the supervisory role of the Board from the executive management aspect and constitution of the Board and committees thereof, as required under law. The Board functions either on its own or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

As on the date of this Draft Red Herring Prospectus, our Company has eight Directors on its Board, comprising of three Executive Directors, one Non Executive Nominee Director and four Independent Directors, including one woman Director.

### **Committees of the Board**

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

#### ***Audit Committee***

The Audit Committee was constituted by our Board pursuant to its resolution dated May 8, 2018 and its powers and terms of reference were modified pursuant to Board resolution dated May 14, 2018. The current constitution of the Audit Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Gyan Mohan	Chairman	Independent Director
Mohan Agarwal	Member	Managing Director
Vegulaparanan Kasi Viswanathan	Member	Independent Director

The Company Secretary shall act as the secretary to the Audit Committee

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

- (a) Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Reviewing and recommending for approval to the Board:
  - (1) Proposals on borrowings and proposals on non-fund based facilities from banks
  - (2) Business plan
  - (3) Corporate annual budget and revised estimates;
- (c) Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;
- (d) Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
- (e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
  - (i) Matters required in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions;
  - (vii) Qualifications and modified opinion(s) in the draft audit report.
  - (viii) Compliance with accounting standards;
  - (ix) Contingent liabilities;

- (x) Claims against the Company and their effect on the financial statements; the term “financial statement” shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013.
- (f) Reviewing, with the management:
  - (i) the quarterly, half-yearly and annually financial statements and such other periodical statements before submission to the Board for approval;
  - (ii) the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and
  - (iii) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter;
- (g) Reviewing and monitoring the auditor’s independence and performance along-with the effectiveness of audit process;
- (h) Examination of the financial statement and the auditor’s report thereon;
- (i) Approval or any subsequent modification of transactions of the company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Laying down the criteria for granting omnibus approval in line with the Company’s policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (k) Scrutinizing
  - (i) the need for omnibus approval and ensuring that such approval is in the interest of the Company;
  - (ii) Inter-corporate loans and investments.
- (l) Valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing with the management- performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;
- (o) 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;
- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (r) Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Scrutinizing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.
- (u) Approval of appointment of CFO (or 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;
- (v) Reviewing the functioning of the whistle blower mechanism;
- (w) Making recommendations to the Board in relation to the establishment of a vigil mechanism;
- (x) Monitoring of a vigil mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide for direct access to the chairperson of the Audit Committee in exceptional cases where deemed necessary;
- (y) Discretion to invite the finance director or head of the finance functions, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity; and
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, the ICDR Regulations, the SEBI Listing Regulations and other applicable Rules and Regulations.

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

The powers of the Audit Committee will include the following:

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To select and appoint professional advisors and obtain advice from external sources including for forensic or other investigations, if necessary
- (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) To have full access to the information contained in the records of the Company.

The Audit Committee shall mandatorily review the following information:

- (i) Management's discussion and analysis of financial condition and results of operations;
- (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (iii) Details of all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance;
- (iv) On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given;
- (v) Whether the policy dealing with related party transactions is placed on the website of the Company;
- (vi) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (vii) Internal audit reports relating to internal control weaknesses;
- (viii) The appointment, removal and terms of remuneration of the chief internal auditor;
- (ix) Statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

#### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated May 8, 2018. The current constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Nina Chatrath	Chairman	Independent Director
Balvinder Kumar	Member	Independent Director
Gauri Shankar Agarwala	Member	Chairman and Executive Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key management personnel and other employees;
- (b) Formulation of criteria for evaluation of independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) 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 the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- (e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (f) Determining the Company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
- (g) Analysing, monitoring and reviewing various human resource and compensation matters;



- (h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (j) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended; and
- (k) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted pursuant to a resolution of passed by our Board on May 11, 2018. The current constitution of the Stakeholders' Relationship committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Gyan Mohan	Chairman	Independent Director
Gauri Shankar Agarwala	Member	Chairman and Executive Director
Akshay Agarwal	Member	Whole-time Director

This Committee is responsible for the redressal of shareholders' and investors' grievances including but not limited to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Collecting and analysing reports received periodically from the registrar and share transfer agent on the following:
  - i. Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;
  - ii. Requests regarding non-receipt of the notice of the AGM, balance sheet and profit and account statement;
  - iii. Complaints of investors routed by the SEBI or Stock Exchanges and others;
  - iv. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transportation of share certificates;
  - v. Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;
  - vi. Requests relating to de-materialization and re-materialization of shares;
  - vii. Requests relating to modes of paying the dividend i.e. through electronic clearing service, RTGS and issue of dividend warrant for dividend payment/ interest etc.; and
  - viii. Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders
- (b) To redress other grievances of shareholders, debenture holders and other security holders;
- (c) Scrutinizing other matters related to or arising out of shareholders/ investors services including preparation and approval of periodical reports.
- (d) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

In addition to the committees which have been constituted in terms of the SEBI Listing Regulations and the Companies Act, 2013 as disclosed hereinabove, our Board has also constituted a Corporate Social Responsibility Committee and an IPO Committee, brief details of which have been set forth hereunder.

### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted pursuant to a resolution of our Board dated May 24, 2014 and was last reconstituted on September 30, 2014. The current constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Gauri Shankar Agarwala	Chairman	Chairman and Executive Director
Mohan Agarwal	Member	Managing Director
Vegulaparanan Kasi Viswanathan	Member	Independent Director

The scope and function of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference includes the following:

- (a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- (b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- (c) To monitor the CSR policy of the Company from time to time; and
- (d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### ***IPO Committee***

The IPO Committee was constituted pursuant to a resolution of our Board dated May 8, 2018. The current constitution of the IPO Committee is as follows:

<b>Name of Director</b>	<b>Designation</b>
Gauri Shankar Agarwala	Chairman and Executive Director
Mohan Agarwal	Managing Director
Akshay Agarwal	Whole-time Director
Gyan Mohan	Independent Director
Peter Francis Amour	Non Executive Nominee Director

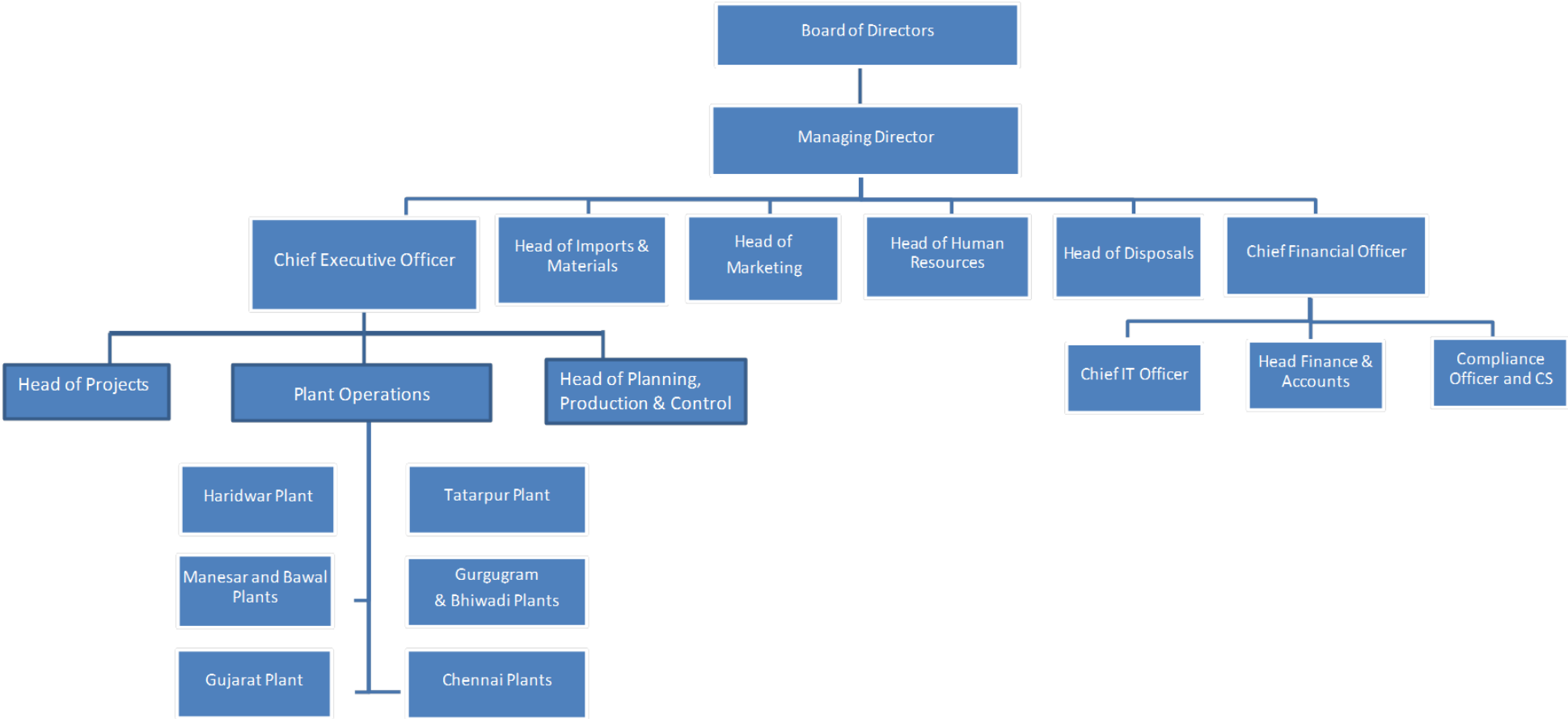
The terms of reference for the IPO Committee are as follows:

- (a) To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars to the Offer, refund banks to the Offer, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalization and execution of the offer agreement with the BRLMs and the underwriting agreement with the underwriters and to terminate any agreements or arrangements with such intermediaries /agents;
- (b) To undertake as appropriate such communication with the selling shareholders as required under applicable law, including inviting the existing members of the Company to participate in the Offer by making an offer for sale in relation to such number of Equity Shares held by them as may be deemed appropriate, and which are eligible for offer for sale in accordance with the ICDR Regulations, and to take all actions as may be necessary or authorized in connection with the Offer for Sale;
- (c) Taking on record the approval of the Offer for Sale by the selling shareholders;
- (d) To seek, if required, any approval, consent or waiver from the Company's lenders, and/or other third parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Equity Shares in the Offer;
- (e) To decide, in consultation with the BRLMs and the selling shareholders (to the extent applicable) on the actual size (including, without limitation, any reservation for employees of the Company, employees or members of promoting companies/ group companies and/or any other reservations or firm allotments as may be permitted), timing, pricing (including the discount for any reserved category) and all the terms and conditions of issue of the Equity Shares pursuant to the Offer, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- (f) To finalize, settle, approve and adopt the draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap for the Offer together with any addenda, corrigenda or supplement thereto and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by and to submit undertaking / certificates or provide clarifications to SEBI, Stock Exchanges or any other relevant governmental and statutory authorities;
- (g) To negotiate, finalize, settle and to execute and deliver or arrange the delivery of the registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all

- other documents, deeds, agreements, memorandum of understanding and other instruments with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies / intermediaries as may be required or desirable in relation to the Offer (including amending, varying or modifying the same, as may be considered desirable or expedient), with the power to authorize one or more officers of our Company to negotiate, execute and deliver all or any of the aforementioned documents;
- (h) To do all such acts, deeds and things as may be required to dematerialize the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection with the power to authorize one or more officers of our Company to execute all or any of the aforementioned documents;
  - (i) To make applications to, seek clarifications, obtain approvals and seek exemptions from, if necessary, the SEBI, the RBI, the RoC or any other statutory and governmental authorities in connection with the Offer, and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus;
  - (j) Deciding in consultation with the BRLMs, the withdrawal of the DRHP or the RHP or any decision not to proceed with the Offer at any stage in accordance with applicable laws;
  - (k) Authorizing the maintenance of a register of holders of the Equity Shares either by the Company or by any registrar and share transfer agent appointed in this regard;
  - (l) To make applications for listing of the Equity Shares on the Stock Exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchange(s), and to take all such other actions as may be necessary in connection with obtaining such listing;
  - (m) To make arrangement for the submission of the draft red herring prospectus to the SEBI and the Stock Exchange(s) for receiving comments, the red herring prospectus and the prospectus to the RoC, and any corrigendum, amendments or supplements thereto;
  - (n) To decide, negotiate and finalize the Pre-IPO Placement of the Equity Shares by the Company or engage in discussions with investors in relation to a Pre-IPO Placement;
  - (o) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
  - (p) To open and operate bank account(s) of the Company in terms of the cash escrow agreement for handling of refunds for the Offer and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
  - (q) To determine and finalize the floor price/price band for the Offer, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons (including Anchor Investors) as disclosed in the draft red herring prospectus, the red herring prospectus and the prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Offer;
  - (r) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the purpose of the Offer, including without limitation, finalize the basis of allocation and to allot the Equity Shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
  - (s) To allot the Equity Shares, and other matters in connection with or incidental to the Offer, including determining the anchor investor (as defined in the ICDR Regulations, hereinafter referred to as the "Anchor Investor") portion and allocate such number of Equity Shares to Anchor Investors, in accordance with the ICDR Regulations and to constitute such other committees of the Board, as may be required under the applicable laws, including the listing agreement(s) to be entered into by the Company with the Stock Exchanges;
  - (t) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the Equity Shares with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchange(s), with power to authorize one or more officers of the company to sign all or any of the aforementioned documents;
  - (u) To settle all questions, difficulties or doubts that may arise in relation to such issues or allotment as it may deem fit;
  - (v) To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;
  - (w) To accept and appropriate the proceeds of the Offer;
  - (x) To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

- (y) To authorize any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;
- (z) To affix the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company; and
- (aa) To delegate any of the powers mentioned above to any of the Directors or officers of the Company, subject to the provisions of the Companies Act, 2013.

Management Organisation Structure



## Key Management Personnel

In addition to Mohan Agarwal, our Managing Director and Akshay Agarwal, our Whole-time Director, whose details are provided in the sub-section titled “– *Brief Profile of our Directors*” on page 158, the details of our other Key Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below.

**Parvindra Mohan Gautam**, aged 55 years, is the Chief Executive Officer of our Company. He holds a post graduate diploma in business administration from Annamalai University and a diploma in mechanical engineering from M. G. Polytechnic, Hathras, Aligarh. He has multiple years of experience in die casting and production handling in automotive industry. He has been associated with our Company since October 10, 2013. He was appointed as the Chief Executive Officer of our Company on August 14, 2013 and currently handles plant operations, planning and production management in our Company. He received a remuneration of ₹ 5.39 million in Fiscal 2018.

**Satish Kaushik**, aged 45 years, is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from University of Delhi and a master’s degree in business administration from Sikkim Manipal University. He is also a qualified Cost Accountant. He has over 12 years of experience in accounting and finance and he is responsible for finance and accounts, financial planning, budget and liaising with lenders of our Company. He joined our Company with effect from August 1, 2006 and resigned on April 26, 2011 and again joined our Company in October 1, 2015 as General Manager, Accounts. Pursuant to Board resolution dated May 14, 2018 he was appointed as the Chief Financial Officer of the Company. He received a remuneration of ₹ 3.15 million in Fiscal 2018.

**Pradeep Singh**, aged 34 years, is the Company Secretary and Compliance Officer and handles the secretarial, legal and direct tax related activities of our Company. He holds a bachelor’s degree in commerce and a bachelor’s degree in law from University of Delhi. He is also a member of the Institute of Company Secretaries of India. He has over eight years of experience in the field of legal and secretarial activities. He joined our Company with effect from September 21, 2013. Prior to joining our Company, he worked with RT Outsourcing Services Limited as its group head (legal and secretarial) and with Oswal Casting Private Limited as its company secretary. He received a remuneration of ₹ 1.02 million in Fiscal 2018.

All the Key Management Personnel are permanent employees of our Company. The Key Management Personnel disclosed above also include the key management personnel as defined under the Companies Act, 2013.

Further, the brief details of our senior management personnel, as on the date of the Draft Red Herring Prospectus are set forth hereunder.

**Deepak Garg**, aged 36 years, is the Assistant General Manager, Imports and Materials and he handles planning and import of raw material from overseas for our Company. He holds a bachelor’s degree in commerce from Maharshi Dayanand University, Rohtak. He has been associated with the Company since July 27, 2006.

**Harsh Kumar**, aged 41 years, is the Senior General Manager, Marketing and he handles marketing, sales and business development of our Company. He holds a bachelor’ degree in commerce from Rohilkhand University, Bareilly and a post graduate diploma in management from Institute of Environment and Management, Lucknow. He also holds a diploma in mechanical engineering from Apex Institute of Technology. He joined our Company on September 13, 2017.

**Pradeep Gulati**, aged 47 years, is the Chief Information Technology Officer of our Company and he oversees the deployment, monitoring, maintenance, development, and support of all hardware and software based on institution wide needs, prepares information technology annual budget and manages IT staffing. He holds a diploma in business management and an advance diploma in business management from Institute of Management Technology, Ghaziabad. He also holds honours diploma in systems management from National Institute of Information Technology, New Delhi. He joined our Company and took up the position of Chief Information Technology Officer on May 7, 2018.

**Ved Prakash Gupta**, aged 43 years, is the General Manager, Operations of CMRN. He holds a bachelor’s degree in science from the Birla Institute of Technology and Science, Pilani, Rajasthan. He has a management degree from Institute of Management Technology, Centre for Distant Learning, Ghaziabad. He has completed polytechnic degree in mechanical engineering from Madhya Pradesh Technical Education Board. He joined our

Company on October 11, 2010. He took up the position of General Manager, Operations in our Subsidiary, CMRN with effect from October 1, 2012 and currently handles planning and operations of new projects.

#### **Relationship between Key Management Personnel**

Except in relation to our Managing Director and our Whole-time Director, as disclosed in sub-section titled “*Our Management- Relationship between Directors*” on page 159, none of the Key Management Personnel are related to each other.

#### **Service Contracts with Key Management Personnel**

None of the Key Management Personnel have entered into service contracts with our Company or our Subsidiaries providing for benefits or payments upon termination of employment.

#### **Contingent and deferred compensation payable to Key Management Personnel**

There are no contingent or deferred compensation payable to Key Management Personnel, which does not form part of their remuneration.

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

#### **Shareholding of the Key Management Personnel**

Except in relation to our Managing Director and Chairman and Executive Director, as disclosed in “–*Shareholding of Directors in our Company*” on page 161, none of our Key Management Personnel have any shareholding in our Company as on the date of this Draft Red Herring Prospectus.

#### **Bonus or profit sharing plan of the Key Management Personnel**

Our Chief Financial Officer, Satish Kaushik is entitled to an additional pay of a minimum of 3.00% and a maximum of 9.00% of the cost to the company, payable annually, under the variable pay scheme of our Company. Further, our Chief Executive Officer, Parvindra Mohan Gautam is also entitled to an additional pay of a minimum of 7.50% and a maximum of 22.50% of the cost to Company, payable annually, under the variable pay scheme of our Company. Additionally, except as disclosed in “*Our Management- Terms of Appointment of our Managing Director and Whole-time Director*” on page 160, our Company does not have a performance linked bonus or a profit sharing plan for any of the other Key Management Personnel.”

#### **Interest of Key Management Personnel**

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them, if any.

#### **Changes in the Key Management Personnel in the last three years**

<b>Name</b>	<b>Designation</b>	<b>Date of Change</b>	<b>Reason</b>
Satish Kaushik	Chief Financial Officer	May 14, 2018	Appointment
Rajat Jain	Chief Financial Officer	January 2, 2018	Appointment
		May 14, 2018	Resignation
Sandeep Kumar Shaw	Chief Financial Officer	May 1, 2017	Appointment
		January 22, 2018	Resignation
Hitesh Saiwal	Chief Financial Officer	November 13, 2015	Appointment
		February 11, 2016	Resignation

#### **Employee Stock Option Plan / Employee Stock Purchase Scheme**

Our Company does not have any employee stock option plans as on the date of this Draft Red Herring Prospectus.

**Loans taken by Directors / Key Management Personnel**

Except as disclosed in the section “*Related Party Transactions*” at page 186, none of the Directors or Key Management Personnel has availed any loan from our Company.

**Payment or Benefit to officers of our Company (non-salary related)**

Except as disclosed in this section, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our Directors and Key Management Personnel.



## OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are Gauri Shankar Agarwala, Mohan Agarwal, Kalawati Agarwal and Pratibha Agarwal. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 9,556,124 Equity Shares, representing 38.30% of the issued, subscribed and paid-up Equity Share capital of our Company. Further, upon the conversion of 1,416,622 CCPS prior to the filing of the Red Herring Prospectus, our Promoters will collectively hold 31.21% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company. Our Promoters will continue to hold a majority of the post-Offer paid-up share capital of our Company. For details, see the section “*Capital Structure*” on page 72.

### Details of our Promoters

**Gauri Shankar Agarwala**



Gauri Shankar Agarwala, aged 77 years, is one of our Promoters and the Chairman and Executive Director of our Company. He is a resident Indian national.

Gauri Shankar Agarwala presently resides at W-5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India.

*Voter identification number:* ZXD1099829

*Driving license number:* P03022008566688

For the complete profile of Gauri Shankar Agarwala including details of his educational qualifications, professional experience, position/posts held in the past, directorships held and other ventures, see the section “*Our Management*” on page 156.

**Mohan Agarwal**



Mohan Agarwal, aged 54 years, is one of our Promoters and the Managing Director of our Company. He is a resident Indian national.

Mohan Agarwal presently resides at W-5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India.

*Voter identification number:* ZXD1099357

*Driving license number:* DL-0320080478351

For the complete profile of Mohan Agarwal including details of his educational qualifications, professional experience, position/posts held in the past, directorships held and other ventures, see the section “*Our Management*” on page 156.

**Kalawati Agarwal**



Kalawati Agarwal, aged 71 years, is one of our Promoters. She is a resident Indian national. She has received basic preliminary education and is currently a home-maker.

Kalawati Agarwal presently resides at W-5/16, F- 170 B, Western Avenue, Sainik Farm, New Delhi 110 062, India.

*Voter identification number:* ZXD1099845

*Driving license number:* Not available

**Pratibha Agarwal**



Pratibha Agarwal, aged 49 years, is one of our Promoters. She is a resident Indian national. She holds a bachelor's degree in English (Honors) from the Delhi University and is currently a home-maker.

Pratibha Agarwal presently resides at F-170 B, Western Avenue, Sainik Farm, New Delhi 110 062, India.

*Voter identification number:* ZXD1099852

*Driving license number:* P03022008566685

Our Company confirms that the PAN, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Promoters, Kalawati Agarwal and Pratibha Agarwal may not have adequate experience in the business activities undertaken by our Company. For details see *“Risk Factors- Some of our Promoters have limited experience in aluminium recycling industry.”* at page 41.

### **Interest of Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding, held directly and indirectly, and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, see *“Capital Structure”* on page 72.

Our Promoters are also interested in our Company to the extent of their shareholding in our Subsidiaries and Group Companies with which our Company transacts during the course of its operations. For more details, refer to the sections *“Our Subsidiaries”* and *“Our Group Companies”* on pages 152 and 178 respectively.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them. Further, our Promoters are interested to the extent Raghav Agarwal, who is the son of Mohan Agarwal, receives remuneration for his services as Senior Manager, Finance of the Company. For further details, see the section *“Our Management”* on page 156.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the Promoters to become, or qualify them directors, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### **Interest of Promoters in the property of our Company**

Our Promoters have no direct or indirect interest in any property acquired in the preceding two years or proposed to be acquired by our Company within the two years from the date of filing of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. However, our Promoter Kalawati Agarwal is interested to the extent that she receives rent from our Company for certain portion of the premises at W 5/16, Western Avenue, Sainik Farm, New Delhi 110 062, India, owned by her, which is the Registered Office of our Company. Our Promoter Pratibha Agarwal is interested to the extent she receives rent from our Company for the ground floor of the premises at W 5/16, F- 170 B, Western Avenue, Sainik Farm, New Delhi 110 062, India, the Registered Office, which is utilised as residence for our Managing Director, Mohan Agarwal. Additionally, our Promoter and Managing Director, Mohan Agarwal entered into an agreement to sell dated June 5, 2014 with our Company for the sale of property situated at 409, 410, 411, fourth Floor, Tower B2 in Abacus Technopark, Sarai Khawaja, Faridabad, the valuation for which was carried out by an independent third party international firm, at an agreed consideration of ₹ 43.40 million of which, certain amount

remains payable to Mohan Agarwal, as on the date of this Draft Red Herring Prospectus. For details, see “*Related Party Transactions*” on page 186.

For details of related party transactions entered into by our Company during the last five Fiscals with our Promoters, Subsidiaries and Group Companies, the nature of transactions and the cumulative value of transactions, refer to the section “*Related Party Transactions*” on page 186.

### **Group Companies and Interest of Promoters**

Our Promoters are also interested in our Company to the extent of their shareholding in our Group Companies with which our Company transacts during the course of its business. For details on our Group Companies and the nature and extent of interest of our Promoters in our Group Companies, refer to the section “*Our Group Companies*” on page 178.

### **Payment or benefits to our Promoters or Promoter Group**

Except as stated in the section “*Related Party Transactions*”, “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 186, 156 and 174 respectively and payment towards rent and salaries to certain members of the Promoter Group, there has been no payment or benefits to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

### **Other Confirmations**

There are no violations of securities laws committed by our Promoters, any member of our Promoter Group or any Group Company, in the past or are currently pending against them and neither our Promoters, nor the members of our Promoter Group have been 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 SEBI or any other authority nor have they been declared as wilful defaulters by any bank, financial institution or consortium as defined under the SEBI ICDR Regulations.

None of our Promoters is or was a promoter, director or person in control of any company which was/is debarred from accessing the capital markets under any order or directions made by SEBI or any other regulatory or governmental authority.

Our Promoters are not interested directly or indirectly in any entity which holds any intellectual property rights that are used by our Company.

None of the beneficiaries of loans and advances or sundry debtors are related to our Promoters.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

### **Change in the control or management of our Company**

Our Promoters are the original Promoters of our Company and there has been no change in the control or management of our Company in the last five years preceding the date of filing of this Draft Red Herring Prospectus. For more details, see “*Capital Structure- Build-up of Equity Shares held by our Promoters*” and “*History and Corporate Structure*” on pages 76 and 145, respectively.

### **Guarantees**

Except Gauri Shankar Agarwala and Mohan Agarwal, as stated in the sections “*Financial Indebtedness*” and “*History and Corporate Structure*” on page 444 and 145, our Promoters have not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

### **Companies or Firms from which our Promoters have disassociated themselves in the last three years**

Our Promoters have not disassociated themselves from any company or firm during the last three years preceding the date of filing of this Draft Red Herring Prospectus.

## **Our Promoter Group**

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations:

### **A. Natural Persons forming part of our Promoter Group**

- (i) Gauri Shankar Agarwala
- (ii) Kalawati Agarwal (*wife of Gauri Shankar Agarwala*)
- (iii) Durga Devi Jhunjhunwala (*sister of Gauri Shankar Agarwala*)
- (iv) Triveni Agarwala (*sister of Gauri Shankar Agarwala*)
- (v) Mohan Agarwal (*son of Gauri Shankar Agarwala and Kalawati Agarwal*)
- (vi) Nirmala Tulsyan (*sister of Mohan Agarwal*)
- (vii) Rajni Bagla (*sister of Mohan Agarwal*)
- (viii) Sangeeta Peeti (*sister of Mohan Agarwal*)
- (ix) Shankar Bhimsaria (*brother of Kalawati Agarwal*)
- (x) Saraswati Goenka (*sister of Kalawati Agarwal*)
- (xi) Leela Ruia (*sister of Kalawati Agarwal*)
- (xii) Urmila Rungta (*sister of Kalawati Agarwal*)
- (xiii) Pratibha Agarwal (*wife of Mohan Agarwal*)
- (xiv) Akshay Agarwal (*son of Mohan Agarwal and Pratibha Agarwal*)
- (xv) Raghav Agarwal (*son of Mohan Agarwal and Pratibha Agarwal*)
- (xvi) Pankaj Poddar (*brother of Pratibha Agarwal*)
- (xvii) Puneet Poddar (*brother of Pratibha Agarwal*)
- (xviii) Nirmal Poddar (*mother of Pratibha Agarwal*)
- (xix) Shyam Sundar Poddar (*father of Pratibha Agarwal*)

### **B. Entities forming part of our Promoter Group**

- (i) Suvridhi Financial Services Limited
- (ii) Sanjivani Non Ferrous Trading Private Limited
- (iii) Grand Metal Recycling Private Limited
- (iv) Grand Metal Industries Private Limited
- (v) Ramayana Polymers Private Limited
- (vi) Forever Multimedia Private Limited
- (vii) CMR Welfare Foundation
- (viii) Gauri Shankar Agarwala HUF
- (ix) Mohan Agarwal HUF

## OUR 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, (i.e. the Indian Accounting Standard 24 issued by the Ministry of Corporate Affairs (“**Ind AS 24**”)) as per the Restated Consolidated Financial Statements for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016, 2015, 2014 and 2013, excluding entities which have ceased to be related parties of the Company as on date, and other companies as per the materiality policy adopted by our Board through its resolution dated May 14, 2018, for the purpose of disclosure in connection with the Offer.

Accordingly, a company shall be considered material and disclosed as a group company if it:

- (i) is a member of the Promoter Group and has entered into one or more transactions with our Company in the most recent audited fiscal or nine month period ended December 31, 2017 which, individually or in the aggregate, exceed 10% of the total revenue of our Company for such fiscal or the nine month period ended December 31, 2017, respectively; and
- (ii) subsequent to the date of the last Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus, would require disclosure in the restated consolidated financial statements of our Company for subsequent periods as an entity covered under Ind AS 24 in addition to/other than those companies already covered under Ind AS 24 in the Restated Consolidated Financial Statements of our Company included in this Draft Red Herring Prospectus.

For avoidance of doubt, it is hereby clarified that our Subsidiaries, which have been consolidated in the Restated Consolidated Financial Statements, have not been considered as Group Companies for the purpose of disclosure in this Draft Red Herring Prospectus.

Accordingly, as on the date of the Draft Red Herring Prospectus, our Company has seven Group Companies namely, Toyota Tsusho, SFSL, Nikkei, Sanjivani, Tsusho India, GMIPL and GRMPL (each as defined below). Toyota Tsusho and SFSL are our two listed Group Companies.

**I.** The details of our top five Group Companies are set out below:

**1. Toyota Tsusho Corporation**

*Corporate Information*

Toyota Tsusho Corporation (“**Toyota Tsusho**”) was originally incorporated as a public company named Nisshin Tsusho Kaisha Limited under the laws of Japan and received its certificate for commencement of business on July 1, 1948. In 1987, the name of Nisshin Tsusho Kaisha Limited was changed to Toyota Tsusho Corporation. The registered office of Toyota Tsusho is situated at 9-8, Meieki 4- chome, Nakamura-ku, Nagoya 450 8575, Japan. The corporate identity number of Toyota Tsusho is 6180001031731.

*Nature of business*

Toyota Tsusho is authorised to carry out the business of domestic and worldwide trading and is currently engaged in the business of *inter alia* manufacturing and supply of aluminium ingots.

*Interest of our Promoters*

Our Promoters do not hold any shares in Toyota Tsusho, as on date of this Draft Red Herring Prospectus.

*Financial information*

The following information has been derived from the audited financial statements of Toyota Tsusho for the last three Fiscals:

(¥ in million, except per share data)

Particulars	For the Fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity capital	10,506	8,886	11,255
Reserves (excluding revaluation reserves)	6,427	5,624	6,284
Sales and Other Income/Turnover	79,196	81,702	86,634
Profit/ (loss) after tax	1,025	(437)	675
Earnings per share	292	(124)	192
Diluted earnings per share (not issue stock)	292	(124)	192
Net asset value per share	2,794	2,526	3,200

#### *Market Price information for listed companies*

The highest and lowest market price of shares during the preceding six months, on the stock exchange(s) where Toyota Tsusho is listed, in the following format:

Month	Tokyo Stock Exchange		Tokyo Stock Exchange	
	High (¥)	Low (¥)	High (¥)	Low (¥)
May, 2018	4,170	3,680	3,835	3,760
April 2018	3,985	3,470	3,585	3,935
March 2018	3,955	3,405	3,945	3,605
February 2018	4,695	3,830	4,460	3,995
January 2018	4,905	4,410	4,600	4,410
December 2017	4,615	4,110	4,170	4,535

There has been no change in the capital structure of Toyota Tsusho in the last six months.

#### *Latest Share Price and Market Capitalisation*

The share price of Toyota Tsusho on the first section of the Tokyo Stock Exchange was ¥ 3,605 as of March 2018, and the market capitalization of Toyota Tsusho was ¥ 12,764 million as of March 2018.

#### *Capital Issues in the last three years*

Toyota Tsusho has not issued stocks in the last three years.

#### *Mechanism for redressal of investor grievance*

Toyota Tsusho is in compliance with the grievance redressal mechanism for listed companies in accordance with the securities laws of Japan.

As of the date of the Draft Red Herring Prospectus there were no pending investor complaints pending against Toyota Tsusho.

#### *Significant notes of Auditors*

The auditors of Toyota Tsusho have not provided any significant notes in relation to the aforementioned financial information, in their reports.

## **2. Suvidhi Financial Services Limited**

#### *Corporate Information*

Survidhi Financial Services Limited (“SFSL”) was incorporated as a private limited company, limited by shares under the Companies Act, 1956 on May 5, 1992 and a certificate of incorporation was issued by the Registrar of Companies on May 5, 1992. It was converted into a public limited company on July 19, 1992. Its registered office is situated at F-170 B, Western Avenue, Sainik Farm, New Delhi 110 062, India. The corporate identity number of SFSL is L67120DL1992PLC123134. The company has an authorized capital of ₹ 5,50,00,000 and paid up capital of ₹ 5,25,18,000.

### *Nature of business*

SFSL is authorised by its memorandum of association, to carry out the business of consultancy services in trust and agency investment, financial business, deal in bills of exchange, hundies, and promissory notes and other negotiable instruments and securities and in the business of government shares, stocks, bonds or debentures or securities of any government or public company.

### *Interest of our Promoters*

Our Promoters are interested, to the extent of their shareholding in SFSL, as set out in the table below, as on date of this Draft Red Herring Prospectus:

Name of Promoter	Number of equity shares	Percentage of the issued and paid up equity share capital (%)
Gauri Shankar Agarwala	6,00,000	11.42
Mohan Agarwal	7,60,500	14.48
Kalawati Agarwal	7,75,000	14.76
Pratibha Agarwal	6,25,000	11.90
<b>Total</b>	<b>2,760,500</b>	<b>52.56</b>

### *Financial information*

The following information has been derived from the audited financial statements of SFSL for the last three Fiscals:

(₹ in million, except per share data)

Particulars	For the Fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity capital	52.52	52.52	52.52
Reserves and surplus (excluding revaluation reserves)	36.92	36.74	36.38
Sales and Other Income/Turnover	2.38	2.33	2.27
Profit/ (loss) after tax	0.18	0.36	0.49
Earnings per share (basic and diluted)	0.03	0.07	0.09
Net asset value per share	17.03	17.00	16.93

### *Significant notes of Auditors*

The auditors of SFSL have not provided any significant notes in relation to the aforementioned financial information, in their reports.

### *Market Price information for listed companies and Latest Share Price and Market Capitalisation*

There has been no trading of shares of SFSL on The Calcutta Stock Exchange Limited in the last three years.

There has been no change in the capital structure of SFSL in the last six months.

### *Capital Issues in the last three years*

SFSL has not undertaken any public issue or rights issue in the last three years.

### *Promise v/s Performance*

SFSL has not undertaken any public issue or rights issue in the last 10 years.

### *Mechanism for redressal of investor grievance*

The board of directors of SFSL has constituted a stakeholder relationship committee in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (“**Listing Regulations**”) to look into the redressal of shareholder/investor complaints. The company secretary of SFSL is the compliance officer.

As of May 30, 2018, there were no pending investor complaints pending against SFSL.

Equity shares of SFSL are currently listed on The Calcutta Stock Exchange Limited, and upon receiving consent from all of its shareholders, SFSL has filed an application dated May 11, 2018 for in-principle approval for delisting its equity shares in terms of the SEBI Delisting Regulations. For further details, see “*Risk Factors – One of the members of our Promoter Group and our Group Company, Suvridhi Financial Services Limited (“SFSL”) was included in the list of ‘High Risk NBFCs’ issued by the Financial Intelligence Unit – India (“FIU”) as on January 31, 2018. Additionally, SFSL, currently listed on The Calcutta Stock Exchange Limited, is in the process of being de-listed and is presently not in compliance with the minimum public shareholding requirements.*” on page 32.

### 3. **Nikkei MC Aluminium Company Limited**

#### *Corporate Information*

Nikkei MC Aluminium Company Limited (“**Nikkei**”) was incorporated as a private company under the Japan Companies Act, 2006 and a certificate of incorporation was issued on April 1, 2007. The registered office of Nikkei is situated at 2-6-2, Kaji-Cho, Chiyoda-Ku, Tokyo 101-0044, Japan. The corporate identity number of Nikkei is 7010001108330.

#### *Nature of business*

Nikkei is authorised by its memorandum of association, and currently is engaged in carrying out the business of manufacture and sale of aluminium alloys.

#### *Interest of our Promoters*

Our Promoters do not hold any equity shares of Nikkei as on date of this Draft Red Herring Prospectus:

#### *Financial information*

The following information has been derived from the audited financial statements of Nikkei for the last three Fiscals:

(¥ in million, except per share data)

Particulars	For the Fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity capital	5,496.00	4,315.00	3,504.00
Reserves and surplus (excluding revaluation reserves)	4,111.00	2,930.00	2,119.00
Total revenue	55,383.00	59,108.00	60,356.00
Profit/ (loss) after tax	1,839.00	987.00	504.00
Earnings per share	18.39	9.87	5.04
Diluted earnings per share	18.39	9.87	5.04
Net asset value per share	56.96	45.40	40.47

#### *Significant notes of Auditors*

The auditors of Nikkei have not provided any significant notes in their reports for the aforementioned financial information.

### 4. **Sanjivani Non Ferrous Trading Private Limited**

#### *Corporate Information*

Sanjivani Non Ferrous Trading Private Limited (“**Sanjivani**”) was incorporated on September 28, 2006 as a private limited company with the name ‘Sanjivani Infrastructure Private Limited’. Pursuant to change of name to ‘Sanjivani Non Ferrous Trading Private Limited’, a fresh certificate of incorporation was issued



on June 23, 2009. The registered office of Sanjivani is situated at F 170B, Western Avenue, Sainik Farm, New Delhi 110 062. The corporate identity number of Sanjivani is U70109DL2006PTC154419.

#### *Nature of business*

Sanjivani is authorized by its memorandum of association, to carry out the business of, among others, manufacturing, assembling, exporting and distributing and dealing in all kinds of ferrous and non-ferrous metal products including alloy ingots, castings, automobile components, dies and moulds, artware, electrical and other engineering or casting goods etc., made of aluminium, zinc, copper, iron and steel, plastic or any other ferrous, non-ferrous, metallic or non-metallic substance.

#### *Interest of our Promoters*

Our Promoters are interested, to the extent of their shareholding in Sanjivani, as set out in the table below, as on date of this Draft Red Herring Prospectus:

Name of Promoter	Number of equity shares	Percentage of the issued and paid up equity share capital (%)
Kalawati Agarwal	120,383	27.19
Pratibha Agarwal	120,233	27.16
Mohan Agarwal	850	0.19
<b>Total</b>	<b>241,466</b>	<b>54.54</b>

#### *Financial information*

The following information has been derived from the audited financial statements of Sanjivani for the last three Fiscals:

(₹ in million, except per share data)

Particulars	For the Fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity capital	0.44	0.20	0.20
Reserves and surplus (excluding revaluation reserves)	838.78	374.62	358.43
Total revenue	9,463.26	13,025.50	12,350.05
Profit/ (loss) after tax	0.80	1.70	2.80
Earnings per share (basic and diluted)	1.97	8.09	15.10
Net asset value per share	199.48	197.31	189.22

#### *Significant notes of Auditors*

1. According to information and explanations given to us, there are no dues on account of sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the company on account of dispute:

Nature of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest	4.85	2008-2009	Commissioner of Income Tax (Appeal)- New Delhi

## 5. **Toyota Tsusho India Private Limited**

#### *Corporate Information*

Toyota Tsusho India Private Limited (“**Tsusho India**”) was incorporated as a private limited company, limited by shares under the Companies Act, 1956 and a certificate of incorporation was issued by the registrar of companies, Karnataka at Bangalore on April 1, 1994. The registered office of Tsusho India is situated at Plot number 33 and 34, Bidadi Industrial Area, Ramanagara Taluk & District, Ramanagara, Karnataka 562 109. The corporate identity number of Tsusho India is U27105KA1999PTC025012.

### *Nature of business*

Tsusho India is authorised by its memorandum of association, to *inter alia* carry out the business of trading in items of all kinds and descriptions, manufacture of polypropylene materials, operating and managing industrial parks and investments.

### *Interest of our Promoters*

Our Promoters do not hold any shares in Tsusho India, as on date of this Draft Red Herring Prospectus.

### *Financial information*

The following information has been derived from the audited financial statements of Tsusho India for the last three Fiscals:

(₹ in million, except per share data)

Particulars	For the Fiscal ended		
	March 31, 2017	March 31, 2016	March 31, 2015
Equity capital	5,374	3,623	2,771
Reserves and surplus (excluding revaluation reserves)	(741)	(987)	(41)
Sales and Other Income/Turnover	17,147.22	12,423.93	10,686.49
Profit/ (loss) after tax	246.04	(810.40)	(311.28)
Earnings per share (basic and diluted)	0.58	(2.51)	1.20
Net asset value per share	8.62	7.27	9.85

### *Significant notes of Auditors*

The auditors of Tsusho India have not provided any significant notes in their reports for the aforementioned financial information.

## **II. Other Group Companies:**

In addition to our top five Group Companies disclosed hereinabove, set forth below are the details of other Group Companies.

### **1. Grand Metal Industries Private Limited**

#### *Corporate Information*

Grand Metal Industries Private Limited (“**GMIPL**”) was incorporated as a private limited company, limited by shares under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies on August 23, 2005. The registered office of GMIPL is situated at F 170B, Western Avenue, Sainik Farm, New Delhi 110 062, India. The corporate identity number of GMIPL is U00337DL2005PTC139870.

GMIPL has not undertaken any business activities in the past three financial years.

#### *Interest of our Promoters*

Our Promoters are interested, to the extent of their shareholding in GMIPL, as set out in the table below, as on date of this Draft Red Herring Prospectus:

Name of Promoter	Number of equity shares	Percentage of the issued and paid up equity share capital (%)
Gauri Shankar Agarwala	70,000	17.81
Mohan Agarwal	71,990	18.32
Kalawati Agarwal	62,500	15.90
Pratibha Agarwal	72,500	18.45
<b>Total</b>	<b>276,990</b>	<b>70.48</b>

## 2. **Grand Metal Recycling Private Limited**

### *Corporate Information*

Grand Metal Recycling Private Limited (“**GMRPL**”) was incorporated as a private limited company, limited by shares under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies on August 23, 2005. The registered office of GMRPL is situated at F 170B, Western Avenue, Sainik Farm, New Delhi 110 062, India. The corporate identity number of GMRPL is U00331DL2005PTC139891.

GMRPL has not undertaken any business activities in the past three financial years.

### *Interest of our Promoters*

Our Promoters are interested, to the extent of their shareholding in GMRPL, as set out in the table below, as on date of this Draft Red Herring Prospectus:

Name of Promoter	Number of equity shares	Percentage of the issued and paid up equity share capital (%)
Gauri Shankar Agarwala	90,000	14.12
Mohan Agarwal	102,500	16.08
Kalawati Agarwal	95,000	14.90
Pratibha Agarwal	95,000	14.90
<b>Total</b>	<b>382,500</b>	<b>60.00</b>

## III. **Group Companies with negative net-worth:**

We do not have any Group Companies with a negative net worth.

## IV. **Group Companies incorporated outside India with negative net worth:**

Our Group companies Nikkei and Toyota Tsusho are incorporated outside India and none of them have negative net worth.

## V. **Loss making Group Companies:**

Except for GMRPL, Toyota Tsusho and Tsusho India, none of our Group Companies is a loss making Group Company. For details, see “*Risk Factors*” on page 37.

## **Nature and Extent of Interest of Group Companies**

### **(a) *In the promotion and business interests of our Company***

As on the date of this Draft Red Herring Prospectus, none of our Group Companies has any interest in the promotion or formation of our Company. Further, except in relation to Toyota Tsusho, Nikkei and Sanjivani, none of our Group Companies have any business interest in our Company. For details, see “*Related Party Transactions*” on page 186.

### **(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI***

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

### **(c) *In transactions for acquisition of land, construction of building and supply of machinery***

Except for Sanjivani, which has entered into a sub-lease agreement dated April 30, 2018 with our Company in relation to property situated at F-170B, Western Avenue, Sainik farm, New Delhi 110 062, India, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

## **Litigation**

For details relating to the legal proceedings involving the Group Companies, see the section “*Outstanding Litigation and Material Developments*” on page 447.

## **Common Pursuits**

Except in relation to SFSL and Tsusho India, all our Group Companies are engaged in business activities similar to that of our Company. Additionally, GMIPL and GMRPL are authorised under their main objects to undertake business activities similar to that of our Company but they have not undertaken any business activities in the last three financial years. Further, although our Group Companies, Toyota Tsusho and Nikkei are engaged in similar business activities as that of our Company, there are no conflict of interests, as both such Group Companies operate in foreign jurisdiction.

As and when such conflict may arise, we will examine viable solutions as per applicable law and as determined by our Board.

## **Related Business Transactions within the Group Companies and significance on the financial performance of our Company**

Except as stated in this Draft Red Herring Prospectus and other than the related party transactions for the nine month period ended December 31, 2017 and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, as disclosed in the section “*Related Party Transactions*” on page 186, there are no other related business transactions within the Group Companies.

## **Sale/Purchase between Group Companies or Subsidiaries**

Except as provided in the section “*Related Party Transactions*” on page 186 respectively, none of our Group Companies or our Subsidiaries are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate 10.00% of the total sales or purchases of our Company.

## **Defunct/Sick Group Companies**

None of the Group Companies have become sick companies and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Companies, to the Registrar of Companies for striking off their names. Additionally, none of our Group Companies have become defunct during the five years preceding the filing of this Draft Red Herring Prospectus.

## **Other Confirmations**

Except for Toyota Tsusho, whose equity shares are listed on the first section of the Tokyo Stock Exchange, and SFSL whose equity shares are listed on The Calcutta Stock Exchange Limited, none of our Group Companies are listed on any stock exchange and none of the listed Group Companies have made any public or rights issue of securities in the preceding three years in India.

Further, our Group Companies have confirmed that they have not been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, 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. Additionally, none of the Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Except for Tsusho India, no other Group Companies have availed unsecured loans that may be recalled by the lenders at any time.

Except as provided in the section “*Related Party Transactions*” on page 186, none of our Group Companies or Subsidiaries have business interest in our Company.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under Accounting Standard 24 'Related Party Disclosures' issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Financial Statements – Restated Consolidated Financial Statements – Restated Ind AS Consolidated Statement of Related Party Transactions*" on page 381 and "*Financial Statements – Restated Unconsolidated Financial Statements – Restated Ind AS Unconsolidated Statement of Related Party Transactions*" on page 277.

## OUR DIVIDEND POLICY

Our Company does not have a formal dividend policy as on the date of this Draft Red Herring Prospectus. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, restrictive covenants under our financing agreements and overall financial position of our Company. Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our future fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 444.

Our Company has not declared any dividends in any of the Fiscals 2017, 2016, 2015, 2014 and 2013.

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

S. No.	Details
1.	Restated Unconsolidated Financial Statements
2.	Restated Consolidated Financial Statements
3.	Proforma Financial Statements

## Independent Auditor's Report on Restated Ind AS Unconsolidated Summary Statement

To  
The Board of Directors  
Century Metal Recycling Limited  
13/6 SSR Corporate Park,  
8<sup>th</sup> Floor, Sector 27B  
Delhi- Mathura Road  
Faridabad  
Haryana, India

Dear Sirs,

1. We have examined the attached Restated Ind AS Unconsolidated Summary Statements of Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) (the "Company"), which comprise of the Restated Unconsolidated Statement of Assets and Liabilities as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Unconsolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Unconsolidated Statement of Cash Flows and the Restated Unconsolidated Statement of Change in Equity for the nine months period ended December 31, 2017; and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 annexed to this report (collectively, the 'Restated Ind AS Unconsolidated Summary Statement') and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Unconsolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

### Management's Responsibility for the Restated Ind AS Unconsolidated Summary Statements

2. The preparation of the Restated Ind AS Unconsolidated Summary Statements, which are to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

### Auditors' Responsibilities

3. We have examined such Restated Ind AS Unconsolidated Summary Statements taking into consideration:



- a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated March 15, 2018, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note");
  - c. the requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.
4. The Company proposes to make an initial public offer of its equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

Restated Ind AS Unconsolidated Summary Statements as per audited financial statements:

5. The Restated Ind AS Unconsolidated Summary Statements have been compiled by the management of the Company from:
- a) the audited financial statements of the Company as at and for the nine months period ended December 31, 2017, prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act which have been approved by the Board of Directors at their meeting held on May 08, 2018;
  - b) the audited financial statements of the Company as at and for the years ended March 31, 2017, 2016 and 2015 prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meetings held on July 14, 2017, September 30, 2016 and September 28, 2015, respectively; and
  - c) the audited financial statements of the Company as at and for the years ended March 31, 2014 and 2013 prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meetings held on August 29, 2014 and June 14, 2013; respectively.
6. For the purpose of our examination, we have relied on:
- a) Auditors' Report issued by us dated May 08, 2018 on the Ind AS financial statements of the Company as at and for the nine months period ended December 31, 2017, as referred in Para 5(a) above;
  - b) Auditors' Report issued by us dated July 14, 2017, September 30, 2016 and September 28, 2015 on the financial statements of the Company as at and for each of the years ended March 31, 2017, 2016 and 2015 respectively, as referred in paragraph 5(b) above; and
  - c) Auditors' Report issued by the Company's previous auditor, K.N. Gutgutia & Co (hereinafter referred as the Previous Auditors), dated August 29, 2014 and June 14, 2013 on the financial

statements of the Company as at and for each of the years ended March 31, 2014 and March 31, 2013, respectively, as referred in paragraph 5(c) above.

- d) The audits for the financial years ended March 31, 2014 and 2013 were conducted by the Company's Previous Auditors, and accordingly reliance has been placed on the restated unconsolidated summary statement of assets and liabilities and the restated standalone summary statements of profit and loss and cash flow (collectively, the "2014 and 2013 Restated Standalone Summary Statements") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors dated June 04, 2018 for each of the years ended March 31, 2014 and 2013. They have also confirmed that the 2014 and 2013 restated standalone summary statements:
  - (i) have been made after making such adjustments and regroupings, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
  - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - (iii) as per the requirements of Ind AS do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Summary Statements and do not contain any qualification requiring adjustments.
- 7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Ind AS Unconsolidated Summary Statements, which as stated in the Annexure V(A) and VI to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V(A) and VI – Statement of Restatement Adjustments to Audited Ind AS Financial Statements:
  - a) Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company including as at March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and as at December 31, 2017, March 31, 2017, 2016 and 2015, as set out in Annexure I to this report;
  - b) Restated Ind AS Unconsolidated Summary Statement of Profit and Losses (including other comprehensive income) of the Company for each of the years ended March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure II to this report;
  - c) Restated Ind AS Unconsolidated Summary Statement of Cash Flows of the Company for each of the years ended March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure III to this report;

- d) Restated Ind AS Unconsolidated Summary Statement of Changes in Equity of the Company for each of the years ended March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure IV to this report;
- e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the Previous Auditors for the years ended March 31, 2014 and 2013, we further report that the Restated Ind AS Unconsolidated Summary Statements of the Company:
  - i) have been made after making such adjustments and regroupings, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
  - ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
  - iii) as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Unconsolidated Summary Statements;
  - iv) there are no qualification in the auditors' reports on the audited financial statements of the Company as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and for the nine months period ended December 31, 2017 and for each of the year ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustment to the Restated Ind AS Unconsolidated Summary Statements; and
  - v) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor Report) Order 2016, 2015 and 2003 as applicable, on the financial statements for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Ind AS Unconsolidated Summary Statements, are as follows:

A. For the year ended March 31, 2017

Clause i(c)

According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company except a residential building at Bhiwadi of gross block of Rs. 5.60 millions and net block of Rs. 5.35 millions which is yet to be registered in the name of the Company. As explained to us, registration of title deed is in progress in respect of above mentioned immovable property.

Clause vii(a)

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly

deposited with the appropriate authorities though there has been a slight delay in a few cases.

Clause vii(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statue	Nature of Dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax (Including interest)	54.16	AY 2009-10	Commissioner of Income Tax (Appeals) – 2, New Delhi
Custom Act, 1962	Demand for custom duty and penalty thereon on mis-classification of goods (excluding interest)	5.15	2012-13 and 2013-14	Custom Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilisaiton of Cenvat credit	12.09	2008-09	Custom Excise and Service Tax Appellate Tribunal
The Haryana Value Added Tax, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit on inadmissible inputs	0.03	Dec 13 to Dec 15	Assistant Commissioner – Bhiwadi
Central Excise Act, 1944	Demand of Central Excise Duty on VAT subsidy	0.21	Jan to Dec 15	Commissioner (Appeals)
Central Excise Act, 1944	Demand of Central Excise Duty on VAT subsidy	0.07	Oct to Dec 14	Assistant Commissioner - Bhiwadi
Central Excise Act, 1944	Non-payment/ short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services	27.96	2011-12 & 2012-13	CESTAT, Chandigarh

Central Excise Act, 1944	Demand for short reversal of central excise duty as such clearance and availment and utilisation of Cenvat credit based on improper documents	174.04	Nov 14 to Sep 15	CESTAT, Delhi
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit on inadmissible input and inputs services	3.22	2013-14	Commissioner (Appeals), Faridabad
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit on inadmissible input and inputs services	0.37	May 12 to May 15	Assistant Commissioner – Bhiwadi
Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.64	July 13 to June 14	Audit Commissionera te, Jaipur
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit on inadmissible input and inputs services	0.16	2012-14	Assistant Commissioner, New Delhi
Central Excise Act, 1944	Cenvat reversed in respect of debit Note issued to transporter for short receipt of inputs	0.07	2011-12	Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Non-payment/ short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services	1.11	2014-15 and April 2015 to October 2015	Additional Commissioner, Faridabad – II
Central Excise Act, 1944	Cenvat credit taken on iron items	0.02	January 2015 to December 2015	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Non-payment/ short payment of service tax on services on reverse charge basis	0.77	2014-15	Assistant Commissioner, Service Tax, Faridabad
Central Excise Act, 1944	Non-payment/ short payment of service tax on services on reverse charge basis	0.17	2011-12	Assistant Commissioner, Service Tax, Gurgaon
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit on inadmissible inputs and input services	0.29	April 2014 to November, 2015	Assistant Commissioner, Excise, Gurgaon

B. For the year ended March 31, 2016

Clause i(c)

According to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets are held in the name of the Company, except a residential building at Bhiwadi of gross block of Rs. 5.60 millions and net block of Rs. 5.44 million which is yet to be registered in the name of the Company. As explained to us registration of title deed is in progress in respect of above mentioned immovable property.

Clause vii(a)

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

Clause vii(c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in millions)	Period to which amount relates	Forum where dispute is pending
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	5.15	2012-13 and 2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on wrong availment and utilization of Cenvat credit.	0.78	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh

Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs.	0.03	Dec'13 to Dec'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Demand of Central Excise Duty on VAT subsidy	0.19	Jan'15 to Dec'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services.	16.28	2011-12 & 2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Demand for short reversal of central excise duty as such clearance and availment and utilization of Cenvat credit based on improper documents.	85.61	Nov'14 to Sep'15	Assistant Commissioner, Alwar
Central Excise Act, 1944	wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	1.13	2013-14	Additional Commissioner, Faridabad
Central Excise Act, 1944	wrong availment and utilization of Cenvat credit on inadmissible input services.	0.37	May'12 to May'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.86	July'13 to June'14	Audit Commissionerate, Jaipur
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	0.17	2012-14	Assistant Commissioner, New Delhi
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	0.05	2010-11	Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Cenvat reversed in respect of Debit Note issued to transporter for short receipt of inputs	0.07	2011-12	Deputy Commissioner, Gurgaon

#### Clause x

We have been informed that an ex-employee of the Company in connivance with certain transporters has defalcated an amount of approx. Rs. 6 millions from the Company by way of raising false and frivolous claims through forged and fabricated transportation bills. Company has already filed an FIR against the ex-employee and his accomplices, Transporters. However, Company is adequately covered by fidelity insurance cover and has duly filed a claim about the above defalcated amount with the Insurance Company. Further, the employee has since resigned and the Company has written back a sum of

Rs.0.97 million being amount due to transporter / employee and recovered Rs.0.5 million from the employee. Balance amount has been charged off. However, the Company is taking steps to recover the amount charged off.

C. For the year ended March 31, 2015

Clause vii(a)

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

Clause vii(c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Millions)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	4.63	2012-13	Commissioner, Appeal, Customs
Customs Act, 1962	Demand for Custom duty, interest and penalty on misclassification of goods	0.52	2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit, demand, penalty and fine imposed	400.13	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh



The Uttarakhand value Added Tax Act, 2005	Wrong TIN in VAT return filed	226.59	2013-14	Deputy Commissioner, Commercial Tax Department, Uttarakhand
The Uttarakhand value Added Tax Act, 2005	Form 11 under Act is not provided to department for concessional duty charged from customers	1.18	2012-13	Deputy Commissioner, Commercial Tax Department, Uttarakhand

D. For the year ended March 31, 2014

Clause ix(b)

According to the records of the Company, there were no dues of income tax, wealth tax and, service tax, custom duties, excise duties and cess which have not been deposited on account of disputes. However reference is invited to the following regarding disputed matters:

- (i) The Central Excise Authorities at Faridabad, in relation to the period from April 2006 to May 2008, has issued show cause notice on 17th March 2010 against the Company for explaining certain matters. The Company filed appeal against the adjudication order before CESTAT, Delhi, which is pending. According to the advice from experts received by the Company, the entire matter is liable to set be set aside as the same is time barred and no positive evidence has been brought on record against the Company. The Company is confident that the matter will be decided in its favour and hence does not foresee any liability on this account.
- (ii) No provision has been made in respect of sales tax demand of Rs. 3.77 millions for the year 2008-09 and Rs. 17.10 millions for the year 2007-08 raised by DETC, Faridabad. The Company has filed appeal before JETC (Appeal), Faridabad, which is pending.
- (iii) The Company has received a letter from Rajasthan Sales Tax Authorities, demanding Rs. 0.07 million for wrong charging of CST on Sales tax invoice. Company has deposited above demand & filed appeal against above demand notices at higher authorities.

E. For the year ended March 31, 2013

Clause ix(b)

According to the records of the Company, there were no dues of income tax, wealth tax and, service tax, custom duties, excise duties and cess which have not been deposited on account of disputes. However reference is invited to the following regarding disputed matters:

- (i) The Central Excise Authorities at Faridabad, in relation to the period from April 2006 to May 2008, has issued show cause notice on 17th March 2010 against the Company for explaining certain matters. The Company filed appeal against the adjudication order before CESTAT, Delhi, which is pending. According to the advice from experts received by the Company, the entire matter is liable to set be set aside as the same is

time barred and no positive evidence has been brought on record against the Company. The Company is confident that the matter will be decided in its favour and hence does not foresee any liability on this account.

- (ii) No provision has been made in respect of sales tax demand of Rs. 3.77 millions for the year 2008-09 and Rs. 17.10 millions for the year 2007-08 raised by DETC, Faridabad. The Company has filed appeal before JETC (Appeal), Faridabad, which is pending.
  - (iii) The Company has received a letter from Rajasthan Sales Tax Authorities, demanding Rs. 0.07 million for wrong charging of CST on Sales tax invoice. Company has deposited above demand & filed appeal against above demand notices at higher authorities.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2017. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to December 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following restated Ind AS unconsolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the nine months period ended December 31, 2017 and as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013. In respect of the years ended March 31, 2014 and 2013, this information have been included based upon the examination reports submitted by the Previous Auditors and relied upon by us:
- (i) Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII and IX;
  - (ii) Restated Ind AS Unconsolidated Statement of Investment Property, enclosed as Annexure VIII;
  - (iii) Restated Ind AS Unconsolidated Statement of Non-Current Investments, enclosed as Annexure X;
  - (iv) Restated Ind AS Unconsolidated Statement of Loans, enclosed as Annexure XI;
  - (v) Restated Ind AS Unconsolidated Statement of Other Financial Assets, enclosed as Annexure XII;
  - (vi) Restated Ind AS Unconsolidated Statement of Other Assets, enclosed as Annexure XIII;
  - (vii) Restated Ind AS Unconsolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XIV;
  - (viii) Restated Ind AS Unconsolidated Statement of Inventories, enclosed as Annexure XV;
  - (ix) Restated Ind AS Unconsolidated Statement of Trade Receivables, enclosed as Annexure XVI;
  - (x) Restated Ind AS Unconsolidated Statement of Cash and Cash Equivalents, enclosed as Annexure XVII (a);
  - (xi) Restated Ind AS Unconsolidated Statement of Bank Balance other than Cash and Cash Equivalents, enclosed as Annexure XVII (b);
  - (xii) Restated Ind AS Unconsolidated Statement of Asset held for sale, enclosed as Annexure XVIII;
  - (xiii) Restated Ind AS Unconsolidated Share Capital, enclosed as Annexure XIX;
  - (xiv) Restated Ind AS Unconsolidated Non-Current Borrowings, enclosed as Annexure XX;

- (xv) Statement of Principal Terms of Secured Borrowings outstanding as at December 31, 2017, enclosed as Annexure XX and XXV;
- (xvi) Restated Ind AS Unconsolidated Trade Payables, enclosed as Annexure XXI;
- (xvii) Restated Ind AS Unconsolidated Other Financial Liabilities, enclosed as Annexure XXII;
- (xviii) Restated Ind AS Unconsolidated Other Liabilities, enclosed as Annexure XXIII;
- (xix) Restated Ind AS Unconsolidated Long term and short term provisions, enclosed as Annexure XXIV;
- (xx) Restated Ind AS Unconsolidated Current Borrowings, enclosed as Annexure XXV;
- (xxi) Restated Ind AS Unconsolidated Statement of Revenue, enclosed as Annexure XXVI;
- (xxii) Restated Ind AS Unconsolidated Statement of Other Income, enclosed as Annexure XXVII;
- (xxiii) Restated Ind AS Unconsolidated Statement of Cost of Raw Material Consumed, enclosed as Annexure XXVIII;
- (xxiv) Restated Ind AS Unconsolidated Statement of (Increase)/ Decrease in Inventories of Finished Goods and Work in Progress , enclosed as Annexure XXIX;
- (xxv) Restated Ind AS Unconsolidated Statement of Purchase of Traded Goods, enclosed as Annexure XXX;
- (xxvi) Restated Ind AS Unconsolidated Statement of Employee Benefit Expense, enclosed as Annexure XXXI;
- (xxvii) Restated Ind AS Unconsolidated Statement of Finance Costs, enclosed as Annexure XXXII;
- (xxviii) Restated Ind AS Unconsolidated Statement of Depreciation and Amortisation expense, enclosed as Annexure XXXIII;
- (xxix) Restated Ind AS Unconsolidated Statement of Other Expenses, enclosed as Annexure XXXIV;
- (xxx) Restated Ind AS Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXXV;
- (xxxi) Restated Ind AS Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXXVI;
- (xxxii) Unconsolidated Statement of Capitalisation, enclosed as Annexure XXXVII;
- (xxxiii) Restated Ind AS Unconsolidated Summary of leases, enclosed as Annexure XXXVIII;
- (xxxiv) Restated Ind AS Unconsolidated Statement of Contingent Liabilities and Capital Commitments, enclosed as Annexure XXXIX;
- (xxxv) Restated Ind AS Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XL
- (xxxvi) Other Notes to the Restated Ind AS Unconsolidated Summary Statement, enclosed as Annexure XLI.

10. According to the information and explanations given to us, and also as per the reliance placed on the examination reports for the years ended March 31, 2014 and March 31, 2013 submitted by the Previous Auditors, in our opinion, the Restated Ind AS Unconsolidated Summary Statements and the abovementioned restated Ind AS financial information contained in Annexures I to XLI accompanying this report, read with the basis of preparation and Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate, disclosed in Annexure VI, in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.

11. According to information and explanation given to us in our opinion, the Proforma Ind AS Restated Standalone Summary Statements of the Company as at March 31, 2016, 2015, 2014 and 2013 and for each of the years ended March 31, 2016, 2015, 2014 and 2013 read with Summary of Significant

Accounting Policies disclosed in Annexure V, are prepared after making proforma adjustments as mentioned in Annexure VI and have been prepared in accordance with the ICDR Regulations and the Guidance Note. In respect of the years ended March 31, 2014 and 2013, this information have been included based upon the examination reports submitted by the Previous Auditors and relied upon by us

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta  
Partner  
Membership No: 87921  
Place: New Delhi  
Date: June 04, 2018

## Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

## Annexure I: RESTATED IND AS UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Rs. millions)

Particulars	Annexure	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Assets</b>							
<b>(1) Non Current Assets</b>							
Property, plant and equipment	VII	760.37	802.39	898.10	926.34	898.24	733.14
Capital work-in-progress	VII	15.29	7.79	11.10	27.87	39.82	9.07
Investment Property	VIII	27.91	-	-	-	-	-
Intangible assets	IX	18.15	20.92	14.89	3.91	5.01	3.40
Intangible assets under development	IX	-	-	7.97	17.50	11.75	-
<b>Financial Assets</b>							
(i) Investments in Subsidiaries, Associate and etc.	X	842.31	834.04	653.16	668.03	358.88	263.60
(i) Loans	XI	10.57	11.18	11.07	12.80	12.17	6.34
(iii) Other financial assets	XII	14.06	31.82	28.60	19.03	19.40	23.93
Deferred tax assets (net)	XIV	-	-	43.61	39.47	22.95	18.88
Non-Current Tax Asset		1.98	34.57	30.06	28.08	4.10	-
Other non current assets	XIII	29.94	33.54	26.07	20.16	9.10	15.99
<b>(2) Current Assets</b>							
Inventories	XV	1,808.52	863.94	461.03	953.49	931.75	802.28
<b>Financial Assets</b>							
(i) Trade receivables	XVI	1,333.24	995.58	1,079.45	1,117.10	1,726.57	1,229.41
(ii) Cash and cash equivalents	XVII (a)	32.36	146.44	165.62	31.00	5.11	2.63
(iii) Bank balances other than (ii) above	XVII (b)	82.24	81.08	83.84	96.91	79.55	55.33
(iv) Loans	XI	18.48	9.92	12.20	9.36	32.18	12.31
(v) Other financial assets	XII	153.96	45.38	57.10	8.78	3.03	3.28
Current Tax Asset		24.09	-	-	-	-	2.92
Other current assets	XIII	1,304.00	937.38	1,124.79	874.24	674.56	433.93
Assets held for sale	XVIII	1.16	-	-	-	-	-
<b>Total</b>		<b>6,478.63</b>	<b>4,855.97</b>	<b>4,708.66</b>	<b>4,854.07</b>	<b>4,834.17</b>	<b>3,616.44</b>
<b>Equity &amp; Liabilities</b>							
<b>(3) Equity</b>							
Share capital	XIX	76.54	76.54	76.54	76.54	76.54	61.23
<b>Other Equity</b>							
(i) Securities premium		945.68	945.68	945.68	945.68	945.68	366.53
(ii) Retained earnings		2,239.21	1,720.66	1,097.73	1,026.25	978.59	931.07
<b>LIABILITIES</b>							
<b>(4) Non Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings	XX	129.38	137.23	110.91	57.86	110.93	174.69
(ii) Other financial liabilities	XXII	1.42	1.07	1.22	2.14	1.82	2.12
Other liabilities	XXIII	23.51	29.24	0.82	2.06	3.35	6.77
Long term provisions	XXIV	19.99	17.46	11.42	11.60	9.72	7.57
Deferred tax liabilities (net)	XIV	47.91	20.21	-	-	-	-
<b>(5) Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings	XXV	2,137.01	1,514.48	1,807.58	2,060.57	2,058.00	1,544.96
(ii) Trade payables	XXI						
-Due to micro small and small enterprises		0.70	1.92	0.04	-	-	-
-Dues to others		435.09	184.45	514.06	479.00	427.46	357.11
(iii) Other financial liabilities	XXII	69.69	90.42	86.18	117.98	175.13	108.34
Other liabilities	XXIII	245.64	66.19	36.03	53.81	32.60	37.27
Short term provisions	XXIV	27.87	24.11	20.45	20.58	14.35	13.88
Current tax liabilities (net)		78.99	26.32	-	-	-	4.90
<b>Total</b>		<b>6,478.63</b>	<b>4,855.97</b>	<b>4,708.66</b>	<b>4,854.07</b>	<b>4,834.17</b>	<b>3,616.44</b>

Note:

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of  
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)  
202

Satish Kaushik  
(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure II: RESTATED IND AS UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Amounts in Rs. millions)

Particulars	Annexure	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>A REVENUE</b>							
Revenue from operations	XXVI	12,666.74	15,636.01	14,786.20	16,259.93	14,434.84	13,661.31
Other income	XXVII	87.50	110.77	133.15	60.30	65.31	30.92
<b>Total revenue (A)</b>		<b>12,754.24</b>	<b>15,746.78</b>	<b>14,919.35</b>	<b>16,320.23</b>	<b>14,500.15</b>	<b>13,692.23</b>
<b>B EXPENSES</b>							
Cost of raw materials consumed	XXVIII	9,549.10	11,113.66	11,930.03	13,001.97	11,830.43	10,964.23
(Increase)/decrease in inventories of finished goods	XXIX	(44.67)	(54.14)	176.31	(93.26)	1.71	(73.27)
Purchase of traded goods	XXX	1,125.16	1,138.03	188.02	473.91	33.96	29.23
Excise duty on sale of goods		367.56	1,420.44	1,232.23	1,386.72	1,119.65	1,096.55
Employee benefits expenses	XXXI	286.24	321.20	330.40	333.19	300.07	288.71
Finance costs	XXXII	139.50	232.57	312.82	321.92	285.27	265.47
Depreciation and amortisation expense	XXXIII	76.95	104.08	104.47	108.86	65.22	54.25
Other expenses	XXXIV	516.76	595.07	530.98	739.13	805.09	735.33
<b>Total expenses (B)</b>		<b>12,016.60</b>	<b>14,870.91</b>	<b>14,805.26</b>	<b>16,272.44</b>	<b>14,441.40</b>	<b>13,360.50</b>
<b>C Restated Profit before tax (A-B)</b>		<b>737.64</b>	<b>875.87</b>	<b>114.09</b>	<b>47.79</b>	<b>58.75</b>	<b>331.73</b>
<b>D Tax expenses</b>							
Current tax	XIV	223.43	262.22	19.91	17.00	14.54	64.90
MAT Credit entitlement	XIV	-	-	(1.06)	(13.18)	(9.39)	(36.94)
Deferred tax charge / (credit)	XIV	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
<b>Total tax expense /(income)</b>		<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>
<b>E Restated Profit for the period / year (C-D)</b>		<b>518.06</b>	<b>624.07</b>	<b>98.60</b>	<b>47.43</b>	<b>46.26</b>	<b>295.39</b>
<b>F Other Comprehensive Income</b>							
Items that will not be reclassified to profit or loss							
Re-measurement gain/(loss) on defined benefit plans		0.76	(1.73)	0.86	0.34	1.89	1.71
Income tax effect	XIV	(0.26)	0.60	(0.30)	(0.12)	(0.64)	(0.55)
		<b>0.50</b>	<b>(1.13)</b>	<b>0.56</b>	<b>0.22</b>	<b>1.25</b>	<b>1.16</b>
<b>G Total Comprehensive Income for the period / year (E + F)</b>							
(Comprising Profit and Other Comprehensive Income for the period/year)		<b>518.56</b>	<b>622.94</b>	<b>99.16</b>	<b>47.66</b>	<b>47.51</b>	<b>296.55</b>
Earnings per equity share: (nominal value per share of Rs 10 each)							
Basic	XXXV	21.15	25.48	4.03	1.94	1.89	12.09
Diluted		19.91	23.98	3.79	1.82	1.84	12.09

Note:

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of  
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure III: RESTATED IND AS UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Amounts in Rs. millions)

Particulars	For the period ended 31st December 2017	For the year ended 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>A. Cash flow from operating activities</b>						
Profit before tax (as restated)	737.64	875.87	114.09	47.79	58.75	331.73
<b>Adjustments to reconcile profit before tax to net cash flow:</b>						
Depreciation and amortisation	76.95	104.08	104.47	108.86	65.22	54.25
Allowances for bad and doubtful receivable	-	-	-	16.65	6.66	6.65
Interest expense	116.91	204.24	233.87	262.76	231.43	237.04
Interest income	(21.78)	(31.63)	(50.61)	(29.51)	(40.24)	(20.09)
Income on account of financial guarantee	(9.83)	(12.82)	(16.27)	(11.42)	-	-
Amortisation of deferred government grant	(6.54)	(2.55)	(1.29)	(3.42)	(8.88)	(8.43)
Unrealized foreign exchange loss/ (gain)	(6.89)	(17.52)	(11.21)	6.54	(13.85)	3.16
Loss / (Profit) on disposal of property, plant and equipment (net)	(0.14)	10.42	5.13	1.27	1.67	1.06
Premium received on conversion of preference share investment into equity investment	-	-	(12.75)	-	-	-
Profit on sale of non current investments in a subsidiary	-	-	-	(0.01)	-	-
Provision for diminution in the value of investments	-	-	-	-	-	0.00
<b>Operating profit before working capital changes</b>	<b>886.32</b>	<b>1,130.09</b>	<b>365.43</b>	<b>399.51</b>	<b>300.76</b>	<b>605.37</b>
<b>Movement in working capital:</b>						
(Increase) / decrease in trade receivables	(337.60)	83.86	37.65	592.84	(503.84)	(296.00)
(Increase)/decrease in other assets	(365.22)	178.99	(250.92)	(199.68)	(240.62)	(89.60)
(Increase)/decrease in other financial assets	(116.81)	10.29	(34.36)	18.05	(24.80)	0.08
(Increase)/ decrease in inventories	(944.58)	(402.90)	492.46	(21.75)	(129.46)	(232.35)
Increase / (decrease) in trade payables	249.34	(327.65)	34.73	51.54	71.11	131.90
Increase/ (decrease) in financial liabilities	(9.23)	(6.02)	27.09	(4.30)	10.97	0.30
Increase/ (decrease) in other liabilities	179.64	19.06	(16.85)	26.01	(1.76)	(10.06)
Increase/ in provisions	7.04	7.98	0.54	8.46	4.51	3.16
<b>Cash generated/(used) from/in operations</b>	<b>(451.10)</b>	<b>693.70</b>	<b>655.77</b>	<b>870.68</b>	<b>(513.13)</b>	<b>112.80</b>
Direct taxes paid (net of refunds)	(130.96)	(165.58)	(21.89)	(40.98)	(20.63)	(86.10)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(582.06)</b>	<b>528.12</b>	<b>633.88</b>	<b>829.70</b>	<b>(533.76)</b>	<b>26.70</b>
<b>B. Cash flow from investing activities</b>						
Purchase of Property, plant & equipment (including CWIP and capital advances) and intangible assets	(37.50)	(20.16)	(73.66)	(155.06)	(250.66)	(113.39)
Proceeds from sale of Property, plant & equipment	1.20	1.80	0.42	6.52	1.72	0.55
Proceeds from fixed deposits having remaining maturity of more than 3 months	66.66	22.07	25.02	1.71	-	-
Investment in fixed deposits having remaining maturity of more than 3 months	(49.03)	(22.54)	(21.73)	(18.51)	(19.68)	(33.95)
Interest received	21.04	35.20	35.76	27.69	39.59	19.73
Purchase of investment property	(27.91)	-	-	-	-	-
Purchase of Investment in Subsidiaries and associate	-	(171.05)	-	(292.88)	(83.86)	(261.70)
Premium received on conversion of preference shares	-	-	12.75	-	-	-
Proceeds from sale of Investment	-	-	-	0.01	-	-
<b>Net cash (used in) investing activities (B)</b>	<b>(25.54)</b>	<b>(154.68)</b>	<b>(21.44)</b>	<b>(430.52)</b>	<b>(312.89)</b>	<b>(388.76)</b>
<b>C. Cash flow from financing activities</b>						
Proceeds from long term borrowings	1.20	93.91	100.00	9.76	3.72	46.03
(Repayment) of long term borrowings	(28.52)	(10.14)	(108.54)	(123.43)	(51.04)	-
Proceeds from short term borrowings of more than three months	214.29	-	-	-	-	-
Repayment of short term borrowings of more than three months	(94.72)	-	-	-	-	-
Proceeds/(Repayment) of short term borrowings (net)	509.85	(275.58)	(239.48)	(3.98)	526.14	546.55
(Repayment) to Debentures Holders	-	-	-	-	-	(100.00)
Finance Costs	(108.58)	(200.81)	(229.80)	(255.64)	(221.49)	(162.90)
Proceeds from Issue of Share Capital (Including Security Premium)	-	-	-	-	600.00	-
Share issue expenses	-	-	-	-	(8.20)	-
<b>Net cash from / (used in) financing activities (C)</b>	<b>493.52</b>	<b>(392.62)</b>	<b>(477.82)</b>	<b>(373.29)</b>	<b>849.13</b>	<b>329.68</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(114.08)</b>	<b>(19.18)</b>	<b>134.62</b>	<b>25.89</b>	<b>2.48</b>	<b>(32.38)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>	<b>35.01</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>32.36</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	0.58	0.81	2.35	2.35	3.45	1.42
Balance with banks:						
-on current accounts	0.68	145.63	68.04	21.15	1.66	1.21
-on cash credit accounts	31.10	-	95.23	-	-	-
-Deposits with original maturity of less than three months	-	-	-	7.50	-	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement:</b>	<b>32.36</b>	<b>146.44</b>	<b>165.62</b>	<b>31.00</b>	<b>5.11</b>	<b>2.63</b>

**Note:**

1. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of  
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

Particulars	Share capital				Other equity		Total equity
	Equity shares		0.001% compulsorily convertible participatory preference shares (CCPPS)		Retained earnings	Securities premium	
	(No. of Shares)	(Amount)	(No. of Shares)	(Amount)	(Amount)	(Amount)	
<b>As at April 01, 2012 (Proforma)</b>	<b>61,00,000</b>	<b>61.00</b>	-	-	<b>634.75</b>	<b>366.53</b>	<b>1,062.28</b>
Bonus Shares issued { Refer note h of Annexure XIX }	23,375	0.23	-	-	(0.23)	-	-
Add: Profit for the Year	-	-	-	-	295.39	-	295.39
Add/(less): Other Comprehensive Income	-	-	-	-	1.16	-	1.16
<b>Total Comprehensive Income</b>				-	<b>296.55</b>		<b>296.55</b>
<b>As at March 31, 2013 (Proforma)</b>	<b>61,00,000</b>	<b>61.23</b>	-	-	<b>931.07</b>	<b>366.53</b>	<b>1,358.83</b>
Add: Addition on issue of CCPPS	-	-	15,30,844	15.31	-	584.69	600.00
Less : Expenses relating to issue of CCPPS	-	-	-	-	-	(8.20)	(8.20)
Income tax Credit on expenses relating to issue of CCPPS	-	-	-	-	-	2.66	2.66
Add: Profit for the Year	-	-	-	-	46.26	-	46.26
Add/(less): Other Comprehensive Income	-	-	-	-	1.25	-	1.25
<b>Total Comprehensive Income</b>	-	-	-	-	<b>47.51</b>	-	<b>47.51</b>
<b>As at March 31, 2014 (Proforma)</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>978.59</b>	<b>945.68</b>	<b>2,000.81</b>
Add: Profit for the Year	-	-	-	-	47.43	-	47.43
Add/(less): Other Comprehensive Income	-	-	-	-	0.22	-	0.22
<b>Total Comprehensive Income</b>	-	-	-	-	<b>47.66</b>		<b>47.66</b>
<b>As at March 31, 2015 (Proforma)</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>1,026.25</b>	<b>945.68</b>	<b>2,048.47</b>
Add: Profit for the Year	-	-	-	-	98.60	-	98.60
Add/(less): Other Comprehensive Income	-	-	-	-	0.56	-	0.56
<b>Total Comprehensive Income</b>	-	-	-	-	<b>99.16</b>		<b>99.16</b>
<b>As at March 31, 2016 (Proforma)</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>1,125.41</b>	<b>945.68</b>	<b>2,147.62</b>
Impact of Ind AS adjustments for earlier years on reserves (Refer Annexure VI (Part B) )	-	-	-	-	(27.69)	-	(27.69)
<b>As at April 01, 2016 (Restated)</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>1,097.73</b>	<b>945.68</b>	<b>2,119.95</b>
Add: Profit for the Year	-	-	-	-	624.07	-	624.07
Add/(less): Other Comprehensive Income	-	-	-	-	(1.13)	-	(1.13)
<b>Total Comprehensive Income</b>	-	-	-	-	<b>622.94</b>		<b>622.94</b>
<b>As at March 31, 2017</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>1,720.66</b>	<b>945.68</b>	<b>2,742.88</b>
Add: Profit for the Period	-	-	-	-	518.06	-	518.06
Add/(less): Other Comprehensive Income	-	-	-	-	0.50	-	0.50
<b>Total Comprehensive Income</b>	-	-	-	-	<b>518.56</b>		<b>518.56</b>
<b>As at December 31, 2017</b>	<b>61,00,000</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>2,239.21</b>	<b>945.68</b>	<b>3,261.43</b>

**Note**

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

As per our report of even date

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number - 301003E/E300005

per **Anil Gupta**  
Partner  
Membership No: 87921

Place : New Delhi  
Date: June 04, 2018

**For and on behalf of the Board of Directors of**  
**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**G.S.Agarwala**  
(Chairman)

**Mohan Agarwal**  
(Managing Director)

**Pradeep Singh**  
(Company Secretary)

**Satish Kaushik**  
(Chief Financial Officer)



## **Annexure V – Restated IND AS UNCONSOLIDATED ACCOUNTING POLICIES**

### **1. Corporate information**

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) ('the Company') is a company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Company is situated at W-5/16 Western Avenue, Sainik Farm, New Delhi – 110062.

The Company is engaged in the business of manufacturing and selling of aluminium based die cast alloys and zinc alloys in India.

The status of the Company has been changed from Private Limited to Public Limited as per the approval received from Registrar of Companies, Delhi on April 02, 2018 and consequently the name of the Company has been changed to Century Metal Recycling Limited.

These restated unconsolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on June 04, 2018.

### **2. Basis of preparation**

The Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Ind AS Unconsolidated Summary Statement of Profit and Loss, Restated Ind AS Unconsolidated Summary Statement of Changes in Equity and Restated Ind AS Unconsolidated Summary Statement of Cash Flows for the period ended December 31, 2017 and years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (hereinafter collectively referred to as "Restated Ind AS Unconsolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

These Restated Ind AS Unconsolidated Financial Information have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. These Restated Ind AS Unconsolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Ind AS Unconsolidated Summary Statements have been compiled from:

a) Audited Special Purpose Interim Standalone Financial Statements of the Company for the period ended December 31, 2017 which includes the comparative IND AS financial statements as at and for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended but they do not contain corresponding figures for the previous period as required by Ind AS notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and other relevant provisions of the Act, as applicable.

b) Proforma Standalone Ind AS financial statements ("Proforma SFS") as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. These Proforma SFS have been prepared by making Ind AS adjustments to the audited Indian GAAP standalone financial statements as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note").

For all the periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 ("Indian GAAP" or Previous GAAP").

The Company is covered under Phase 2 of Ind AS and is compiled with Ind AS for the accounting periods beginning April 01, 2017, with the comparatives for the periods ending on March 31, 2017 and transition date of April 01, 2016.

The Company has also presented a reconciliation of profit adjustment from previous GAAP to Ind AS for shareholders fund as at April 01, 2012 and of profit for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

There may be a possibility that the Audited Special Purpose Interim Standalone Financial Statements may require adjustments on account of assumptions that the management has made about the standards, interpretations expected to be effective and the policies expected to be adopted when the Company prepares its first full set of Ind AS Standalone financial statements as at and for the year ended March 31, 2018.

For the purpose of Proforma SFS, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2016) while preparing standalone Proforma Financial Information for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and accordingly suitable restatement adjustments in the accounting heads have been made in the Standalone Proforma Financial Information.

The Unconsolidated Financial Information for the period ended 31 December 2017 and for the year ended 31 March 2017 and Proforma SFS have been prepared on a historical cost convention, except for certain financial assets and liabilities those have been measured at fair value (refer accounting policy regarding financial instruments).

### **3. Summary of significant accounting policies**

The accounting policies, as set out below, have been consistently applied, by the Company, to all the periods/years presented in the financial statements.

#### **3.1 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **3.2 Foreign currencies**

The Company's financial statements are presented in INR, which is also the company's functional currency.

## Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 3.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### **3.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, rebates etc, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following recognition criteria described below must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances, discounts and rebates.

#### **Sale of services**

Revenue from job work in process is recognised by reference to the stage of completion. Stage of completion is measured by reference to job work in process at the year end and is recognized at measured value of conversion charges as increase\ decrease in job work in process. The Company collects service tax/ Goods and Services Tax on job work on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

#### **Interest income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

#### **Export incentive**

Export incentive under the EPCG scheme are accounted in the year of export of goods considering certainty in the collection of export proceeds.

#### **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

### 3.5 *Government grant*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### 3.6 *Income Taxes*

The income tax expense comprise of current and deferred income tax.

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in 'OCI' or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### **Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a year/period is charged to the statement of profit and loss as current tax for the year/period. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **3.7 Non Current Asset held for sale:**

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

### **3.8 Property, plant and equipment ('PPE')**

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

Capital work in progress and PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, freehold land is carried at historical cost and other items of PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised.

The expenditures those are incurred after the item of PPE is available for use, such as repairs and maintenance, are charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where such expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

<b>Asset</b>	<b>Useful life</b>
Office Building	60 years
Factory Buildings	30 years
Roads	05 years
Plant & Equipment	10-25 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Depreciation on PPE is provided on straight line basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below except for certain components of plant and machinery useful lives of which has been taken as 8-9 years based on independent assessment of professionals undertaken by Company's management.

Lease hold land is amortized on straight line basis over the useful life of leasehold land. Lease hold improvements are depreciated on a straight line basis over the useful life of asset or the unexpired lease period ranging from 2.5 to 10 years, whichever is lower.

Individual items of property, plant and equipment costing upto Rs 10,000/- is charged to the statement of profit and loss in the year in which it is purchased or acquired.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset.

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the previous carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value except accounting for Government grant and accounting for processing fee paid in connection with long term borrowings used for acquiring property plant and equipments, as the deemed cost of the property, plant and equipment and capital work-in-progress.

The cost of capital work-in-progress is presented separately in the balance sheet.

### **3.9 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### **3.10 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license not exceeding six years from the date when the asset is available for use.

The amortisation expense on intangible assets is recognised in the statement of profit and loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each balance sheet date. If expected useful life is significant different from previous assessment, the change in useful life is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the previous carrying value of all its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **3.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **3.12 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are



largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

### **3.13 Leases**

The determination of whether an arrangement is a lease is based on whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

#### **Company as a lessee**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease.

Lease rental payments under operating leases are generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

### **3.14 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on First in first Out (FIFO) basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **3.15 Provisions**

#### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

### **3.16 Contingent Liabilities and assets**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed in the financial statements only when an inflow of economic benefits is probable.

### **3.17 Employee benefits**

The Company's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans and compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

**i) Defined contribution plans – Provident fund**

**Provident fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards provident fund which are defined contribution plans. The Company has no obligation, other than the contribution payable to the funds. The Company recognises contribution payable to the fund scheme in the statement of profit and loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**ii) Defined benefit plans - Gratuity**

**Gratuity**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; this benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

**iii) Other employee benefits**

The employees can carry forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation during termination of employment.

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss.

The Company presents the leave liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**3.18 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### **Subsequent measurement**

#### **i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

#### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

#### **iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

#### **iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method or at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the criteria under Ind AS 109 are satisfied. All other financial liabilities are subsequently measured at amortised cost.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

#### **a) Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

#### **b) Borrowings**

On initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of the financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

## **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3.19 Derivatives**

The Company uses derivative financial instruments such as forward exchange contracts to hedge risks associated with foreign currency fluctuations.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### **3.20 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **3.21 Cash dividend**

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **3.22 Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating decision maker reviews business performance at an overall Company level as one segment "Aluminium and zinc ingots".

### **3.23 Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year/period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year/period is adjusted for events such as bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year/period are adjusted for the effects of all dilutive potential equity shares.

### **3.24 Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Annexure XVII.

## **4. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### ***Judgements***

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

#### **a) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### **b) Revenue recognition and presentation**

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that they operating on a principal to principal basis in all its revenue arrangements.

### ***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **a) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for

extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

***b) Defined benefit plans (gratuity benefits)***

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

***c) Allowance for uncollectible trade receivables***

Trade receivables generally do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

***d) Property, plant and equipment***

Refer accounting policy 3.8 above for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Annexure VII.

***e) Intangible assets***

Refer accounting policy 3.10 above for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in Annexure IX.

***f) Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**5. Standards issued but not effective till March 31,2018**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**a) Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1st April, 2018. The Company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure V (A) : UNCONCOLIDATED IND AS STATEMENT OF RECONCILIATIONS AS PER PREVIOUS GAAP AND IND AS

I Reconciliation of total equity as per previous GAAP and total equity as per Ind AS as at March 31, 2017, March 31, 2016, March 31, 2015, as at March 31, 2014, March 31, 2013 and April 01, 2012:

(Amounts in Rs. millions)						
Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)	As at April 01, 2012 (Proforma)
<b>Restated Equity (including share capital) as per previous GAAP</b>	<b>2,689.07</b>	<b>2,112.65</b>	<b>2,029.31</b>	<b>1,999.01</b>	<b>1,357.47</b>	<b>1,060.61</b>
<b>Add/(Less):</b>						
Cumulative depreciation expense on government grant related to EPCG (Refer Note 1 below)	(1.11)	(0.77)	(0.44)	(0.14)	(0.02)	-
Cumulative amount of income recognised on fulfilment of exports obligations under EPCG (Refer Note 1 below)	6.48	6.48	5.71	1.24	-	-
Cumulative interest expense on unwinding of interest free government loan (Refer Note 2 Below)	(46.23)	(43.81)	(42.48)	(38.68)	(28.58)	(19.68)
Amortisation of deferred grant on interest free borrowings from government (Refer Note 2 Below)	46.71	44.16	42.88	39.45	30.58	22.17
Income on account of financial guarantees (Refer Note 3 below)	12.82	-	11.42	-	-	-
Reversal of rent equalisation reserve (Refer Note 4 below)	5.17	6.65	6.61	1.74	-	-
Derivative instruments - Forward Contracts (Refer Note 5 below)	(0.39)	(1.54)	(0.55)	(0.88)	-	-
Deferred tax impact-Asset/ (Liability) (Refer Note 6 below)	(3.69)	(3.87)	(3.99)	(0.93)	(0.64)	(0.81)
Prior Period Adjustments (Refer Note 7 below)	34.05	-	-	-	-	-
<b>Restated Equity as per Ind AS</b>	<b>2,742.88</b>	<b>2,119.95</b>	<b>2,048.47</b>	<b>2,000.81</b>	<b>1,358.83</b>	<b>1,062.28</b>

II Reconciliation of profit after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013

(Amounts in Rs. millions)					
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Impact on Summary statement of profit and loss, as restated (Annexure II)</b>					
Restated Net Profit after tax as per previous GAAP	576.41	83.37	30.33	47.05	296.88
<b>Add/(Less) :</b>					
Depreciation expense on Government grant related to EPCG (Refer Note 1 below)	(0.33)	(0.36)	(0.32)	(0.14)	(0.01)
Income recognised on fulfilment of exports obligation under EPCG (Refer Note 1 below)	-	0.77	4.47	1.24	-
Amortisation of deferred government grant related to interest free loan (Refer Note 2 Below)	2.55	1.29	3.42	8.88	8.43
Interest on unwinding of Government loan (Refer Note 2 Below)	(2.42)	(1.33)	(3.80)	(10.09)	(8.92)
Income on account of financial guarantee (Refer Note 3 below)	12.82	16.27	11.42	-	-
Reversal of Rent Equalisation (Refer Note 4 below)	(1.48)	0.04	4.87	1.74	-
Derivative instruments - Forward Contracts (Refer Note 5 below)	1.15	(0.99)	0.34	(0.88)	-
Prior Period Adjustments (Refer Note 7 below)	34.05	-	-	-	-
<b>Total Adjustment - add / (less)</b>	<b>46.34</b>	<b>15.69</b>	<b>20.40</b>	<b>0.75</b>	<b>(0.50)</b>
Tax Rate	34.61%	34.61%	33.99%	33.99%	32.45%
Deferred tax impact on above adjustments -Asset/ (Liability) (Refer Note 6 below)	0.18	0.12	(3.06)	(0.29)	0.17
<b>Restated profit after tax as per Ind AS</b>	<b>622.94</b>	<b>99.16</b>	<b>47.66</b>	<b>47.51</b>	<b>296.55</b>



**Notes:**

- 1) Under the previous GAAP, Government grant related to specific property, plant and equipment (PPE) in the nature of capital contribution has been netted off from the relevant asset and is depreciated over the useful life of the PPE. Under Ind AS, Government grants related to assets, including non-monetary grants at fair value, are required to be presented in the balance sheet by setting up the grant as deferred income in the liability side of balance sheet. The grant set up as deferred income is recognised in statement of profit or loss on a systematic basis. Accordingly, unamortised Government grants till the date of transition is recognized as deferred government grant and is recognised as income on fulfilment of exports obligation.
- 2) The Company has received interest free loan from Government of Haryana in the form of grant. Under previous GAAP, the same is recognised at its transaction value. However, Ind AS requires such financial liabilities to be recognised on initial recognition at its fair value. This led to decrease in borrowing and corresponding recognition of deferred government grant of equivalent amount. The government grant is recognised as income on straight line basis and correspondingly interest expense is recognised on systematic basis.
- 3) Under the previous GAAP, corporate financial guarantees were not required to be recorded. Under IND AS, the fair value of the corporate financial guarantee given is required to be recorded. The liability is recorded as income over the period of guarantee.
- 4) As per the previous GAAP, lease agreement with periodic increase in lease rentals were required to be straight lined and charged equally into the statement of profit and loss. As per Ind AS 17 'Leases', if the payments to the lessor are structured to increase in line with the expected general inflationary trend to compensate towards inflationary cost increase, lease rentals need not to be straight lined, instead it should be charged off to the statement of profit and loss as per the agreement. The Company has reversed the rent equalisation reserve.
- 5) The Company has entered into derivative contracts to hedge against foreign exchange exposure arising from transactions like import of goods, repayment of loans and payment of expenses. Under Indian GAAP, Company is amortizing the premium payable on such contracts over the life of contract and restating the value of contract as at the reporting date. However, under Ind AS, Company is recognizing such contracts at fair value as at reporting date, any change in value is recognized through statement of profit and loss.
- 6) Deferred tax has been computed on adjustments made for the purpose of reinstatement, the same has now been adjusted in the respective year to which the adjustments relate.
- 7) One of the subsidiary company has received favourable order from the custom department in respect of custom duty loading case in the financial year 2016 -17, of Rs 34.05 millions (net of tax of Rs.12.25 millions). The said subsidiary has passed on the said credit to the Company (since that subsidiary company supplied raw materials to the Company) in the current year.

### III. First-time adoption of Ind AS

This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 01, 2012 and the proforma financial statements as at and for the year ended March 31, 2013, 2014, 2015, 2016 and 2017

#### Exemptions applied:

##### 1. Mandatory exceptions:

###### a) Estimates

The estimates at April 01, 2012 and at March 31, 2013, 2014, 2015, 2016 and 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies)

Ind AS 101 treats the information received after the date of transition to Ind ASs as non-adjusting events. The entity shall not reflect that new information in its opening proforma Ind AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

###### b) De-recognition of financial assets:

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

###### c) Classification and measurement of financial assets:

###### i. Financial Instruments: (Security deposits received and security deposits paid):

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

###### d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

###### e) Government loan at below market rate of interest - Government grant

Ind AS 101 requires a first-time adopter to apply the requirements of Ind AS 109, Financial instruments and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans at below market rate of interest obtained after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the requirements of Ind AS retrospectively to any government loan originated before the date of transition to Ind AS provided that the information needed to do so had been obtained at the time of initially accounting for that loan. Consequently, if the Company did not under its previous GAAP recognise and measure the government loan at below market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS balance sheet. The Company has applied the above requirement on the loans outstanding as at the date of transition and prospectively for all such loans.

###### f) EPCG – Deferred government grant

Under the previous GAAP, government grant related to EPCG license has been regarded as a capital grant. Under Ind AS, the grant is considered to be in the nature of income grant and to be recognized over the period when export obligations under EPCG scheme are met. Accordingly, as on transition the export obligations has been fulfilled hence same has been adjusted in Retained earnings.

###### g) Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income

###### h) Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

##### 2.Optional Exemptions;

**Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:**

###### a) Property, plant and equipment and Intangibles

Freehold land, plant and equipment, leasehold improvement, office equipment, computers, furniture and fixtures, intangible assets were carried in the balance sheet prepared in accordance with Previous GAAP on the basis of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company has elected to regard those values of assets as deemed cost at the transition date. The Company has elected to carry the previous GAAP value as deemed cost for the Property, plant and equipment and intangible assets except accounting for Government grants.

###### b) Investments in subsidiaries

The Company has decided to apply previous GAAP carrying amount of its investment in subsidiaries as deemed cost as on the date of transition to Ind AS.

###### c) Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in preference shares of subsidiary

I Below mentioned is the summary of results of adjustments made in the audited unconsolidated financial statements of the respective years and its impact on restated unconsolidated summary statement of profit and loss and restated unconsolidated summary statement of assets and liabilities:

(Amounts in Rs. millions)						
Particulars	For the period ended 31 December, 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Impact on Summary statement of profit and loss, as restated (Annexure II)</b>						
Profit after tax (as per audited financial statements)	515.91	575.46	80.53	56.06	45.25	305.26
<b>Restatement adjustments :</b>						
Subsidy from Commercial tax Department related to earlier year (Refer Note 1 below)	-	(1.78)	0.01	0.48	(0.95)	2.24
Depreciation impact on account of componentisation (Refer Note 2 below)	2.97	3.96	4.03	(5.64)	(3.19)	(2.73)
Depreciation charge related to earlier years (Refer Note 3 below)	-	-	4.70	(4.70)	-	-
Depreciation reversal related to earlier years (Refer Note 4 below)	-	-	-	(20.89)	5.60	4.57
Unclaimed liabilities written back (Refer Note 5 below)	-	(4.26)	(3.10)	0.73	1.91	0.82
Exceptional item - depreciation reversal (Refer Note 6 below)	-	-	-	-	(13.51)	4.00
Advances written off (Refer Note 7 below)	-	-	2.15	(1.69)	0.39	0.57
Prior period expense/income (Refer Note 8 below)	-	1.27	-	-	(1.27)	0.65
Provision for doubtful debts (Refer Note 9 below)	16.65	-	-	(3.34)	(6.66)	(6.65)
Bad debts (Refer Note 10 below)	4.45	(1.43)	(2.09)	5.92	0.86	(6.33)
Corporate guarantee commission (Refer Note 12 below)	-	11.52	(4.89)	(6.63)	-	-
Reversal of gratuity expense (Refer Note 13 below)	-	(1.00)	1.00	-	-	-
Sales tax refund for earlier years (Refer Note 14)	-	(3.49)	-	-	3.49	-
Pre-operative expenses/ CWIP written off (Refer Note 18)	8.13	-	-	(8.13)	-	-
<b>Total Adjustment - add / (less)</b>	<b>32.20</b>	<b>4.79</b>	<b>1.81</b>	<b>(43.89)</b>	<b>(13.33)</b>	<b>(2.84)</b>
Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
Income Tax Adjustment for earlier years (Refer Note 15 below)	1.26	(1.35)	0.09	(0.16)	0.16	-
MAT Credit Entitlement adjustment for earlier years (Refer Note 15 below)	-	(0.34)	(1.22)	5.24	0.82	0.10
MAT Credit Entitlement transferred to securities premium (Refer Note 19 below)	-	-	-	-	(2.66)	-
Deferred Tax Adjustments for earlier years (Refer Note 15 and 16 below)	(0.06)	(0.49)	2.48	(1.94)	12.60	(1.99)
Deferred tax impact-Asset/ (Liability) (Refer Note 11 and 17 below)	(11.14)	(1.66)	(0.32)	15.02	4.21	(3.65)
<b>Restated profit after tax as per previous GAAP</b>	<b>538.17</b>	<b>576.41</b>	<b>83.37</b>	<b>30.33</b>	<b>47.05</b>	<b>296.88</b>

**Notes:**

- During the years ended 31 March 2017, 31 March 2016, 31 March 2015, and 31 March 2014, the Company had booked subsidy income related to earlier years. The said income has now been adjusted in respective years to which the amounts relates.
- During the year ended 31 March 2016, the Company had adopted component accounting as required under Schedule II to the Companies Act, 2013. The Company was previously not identifying components of Property Plant and Equipments (PPE) separately for depreciation purposes, rather a single useful life/depreciation rate was used to depreciate each item of PPE. Hence, for material items of PPE for the purpose of reinstatement, the impact of depreciation on earlier years has been computed and adjusted.
- Depreciation charged for the year ended 31 March 2016 included Rs.4.70 millions for earlier years on account of correction in the useful life of roads (included in buildings). Since, these were relating to earlier years, the depreciation expense has now been reflected in respective years for which the amount relates to.
- Depreciation expense for the year ended March 31, 2015 was net of reversal of excess depreciation (net) of Rs. 20.89 millions of earlier years on account of correction in depreciation rates. Since, these were relating to earlier years, the reversals have now been reflected in respective years for which the amount relates to.
- During the period ended December 31, 2017 and years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013, the Company had reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the liability was created.
- Exceptional item for the year ended March 31, 2014 consists of depreciation reversal of Rs. 13.51 millions of earlier years on account of correction in depreciation rates due to correction in working shifts. Since, these were relating to earlier years, the reversals has now been reflected in respective years for which the amount relates to.
- For the purpose of restatement, advances written off have been appropriately adjusted in the respective year to which they pertains.
- For the purpose of restatement, Prior period expenses have been appropriately adjusted in the respective year to which they pertains.
- During the period ended December 31, 2017 and year ended March 31, 2015, the Company had created provision for doubtful debts which were related to earlier years. Since these amount related to sales made in earlier years, now the same have been appropriately adjusted to respective years.
- During the period ended December 31, 2017 and years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Company had written off the amount receivable from Trade Receivable which balances were related to earlier years. Since these amount related to sales made in earlier years, now the same have been appropriately adjusted to respective years.

- 11) During the year ended 31 March 2013, the Company had accounted for interest expense on Debentures related to the financial year ended March 31, 2012 under the head "Exceptional item" as the provision of the interest expense was not made in the respective years. The said amount was adjusted from surplus in the statement of profit and loss, however deferred tax credit on aforesaid amount was adjusted from that year's income tax charge instead of surplus in the statement of profit and loss. Since, the same was related to the financial year ended March 31, 2012, hence the interest expense has now been reflected in opening retained earnings for which the amount relates to.
- 12) Reversal of corporate guarantee commission in Other expenses for the year ended March 31, 2017 included Rs. 11.52 millions for earlier years on account of excess commission charged in earlier years. Since, these were relating to earlier years, the reversal has now been reflected in respective years for which the amount relates to.
- 13) Gratuity expense for the year ended March 31, 2017 was net of gratuity liability written back. Since, this relates to earlier years, hence the reversal has now been reflected in respective year for which the amount relates to.
- 14) During the year ended March 31, 2017, the Company had recognised the income amounting to Rs. 3.49 million in respect of Sales tax refund related to earlier years. As the amount related to the period prior to March 31, 2017, the same has been adjusted in the respective years.
- 15) The Company had filed its income tax return for the year ended 31 March 2016 in the year ended 31 March 2017 resulting in determination of lower tax liability. Also, income tax return for the year ended 31 March 2015 was filed in the year ended 31 March 2016 resulting in determination of lower tax liability. These were recorded in the years in which returns were filed. However, for the purpose of restated statement of profits and losses and the restated statement of assets and liabilities, the current tax, deferred tax adjustments and MAT Credit Entitlement appearing in the financial statements for the relevant financial years have been appropriately adjusted in the respective years to which they pertain.
- 16) During the year ended 31 March 2014, the Company started to create deferred tax on haridwar unit and expense of the same was shown under the head "Deferred tax adjustment related to earlier years". Since, the amount relate to the year prior to 2013-14, hence the same has now been reflected in respective years to which the amount relates to.
- 17) Deferred tax has been computed on adjustments made. For the purpose of restatement, the same has now been adjusted in the respective years to which the adjustments relate.
- 18) During the previous year ended December 31, 2017, the Company has written off certain pre-operative expenses and capital work in progress pertaining to earlier years. The said amount has been adjusted in the respective years.
- 19) During the year ended March 31, 2014, the Company has credited MAT credit entitlement of Rs. (2.66) million in profit and loss account on account of expenses which were directly debited to Securities Premium Account. Accordingly, income tax credit on such expenses has been added back to Securities Premium Account.

## II Reconciliation between the audited total reserves and surplus (including share capital) and restated total equity as at 1 April 2012, is given below:

Particulars	(Amounts in Rs. millions)
<b>Equity (including share capital) as at 1 April 2012 as per audited financials</b>	<b>1,075.07</b>
Adjustments:	
Depreciation impact on account of componentisation (Refer Note 2 above)	(5.47)
Interest on Debentures (Refer Note 11 above)	(14.11)
Depreciation reversal related to earlier years (Refer Note 4 above)	10.72
Advances written off (Refer Note 7 above)	(1.42)
Bad debts (Refer Note 10 above)	(1.38)
Prior period expense (Refer Note 8 above)	(0.65)
Unclaimed liabilities written back (Refer Note 5 above)	3.91
Exceptional Item - depreciation reversal (Refer Note 6 above)	9.51
MAT Credit Entitlement adjustment (Refer Note 15 above)	(4.60)
Deferred Tax Adjustments for earlier years (Refer Note 16 above)	(10.61)
Deferred Tax Assets (Refer Note 17 above)	(0.36)
<b>Total Equity as at 1 April 2012, as restated as per previous GAAP (Refer Note 1 of Annexure V)</b>	<b>1,060.61</b>

### Annexure VI (Part B)

The Proforma financial information of the Company as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 is prepared in accordance with SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note"). As envisaged by the SEBI circular, the Company has followed the same accounting policy choices (both mandatory and optional exemptions availed as per Ind AS 101) as initially adopted on its date of transition date (i.e. April 01, 2016) while preparing the Proforma financial information for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial statements. As specified by the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the years ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Interim Special purpose Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared by the Company, differs due to restatement adjustments made as at April 1, 2015, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date. The reconciliation of the two is explained as under:

Particulars	(Amounts in Rs. millions)	
	For the nine months period ended December 31, 2017	Total equity as at April 01, 2016
<b>Total Equity (including share capital) as per restated financial information as at March 31, 2016 prepared on a proforma basis</b>		<b>2,147.62</b>
<b>Adjustments pertaining to impact of Ind AS principles applied on proforma basis:</b>		
Income on account of Financial Guarantees (Refer Note 3 in Annexure V(A))		(27.69)
<b>Total Equity (including share capital) as at April 01, 2016 as per restated Financial information.</b>		<b>2,119.93</b>
<b>Total Equity (including share capital) as per audited financials after restatement Impact</b>		<b>2,119.93</b>
Restatement Impact		22.92
<b>Total Equity (including share capital) as per audited financials as at April 01, 2016</b>		<b>2,142.85</b>

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure VI (PART C): NON ADJUSTING ITEMS**

Audit qualifications for the respective years, which do not require any adjustments in the restated unconsolidated financial information are as follows:

**Annexure to auditor's report for the financial year ended March 31, 2017**

**1) Clause (i)(c)**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets are held in the name of the Company, except a residential building at Bhiwadi of gross block Rs. 5.6 millions and net block Rs. 5.35 millions which is yet to be registered in the name of the Company. As explained to us registration of title deed is in progress in respect of above mentioned immovable property.

**2) Clause (vii)(a)**

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and Other Material Statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

**3) Clause (vii)(c)**

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in millions)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income tax Act, 1961	Income Tax (including interest)	54.16	AY 2009-2010	Commissioner of Income Tax (Appeals)-2, New Delhi
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	5.15	2012-13 and 2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs.	0.03	Dec'13 to Dec'15	Assistant Commissioner, Bhiwadi

Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.21	Jan'15 to Dec'15	Commissioner (Appeals)
Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.07	Oct to Dec'14	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services.	27.96	2011-12 & 2012-13	CESTAT, Chandigarh
Central Excise Act, 1944	Demand for short reversal of central excise duty as such clearance and availment and utilization of Cenvat credit based on improper documentation.	174.04	Nov'14 to Sep'15	CESTAT, Delhi
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	3.22	2013-14	Commissioner (Appeals), Faridabad
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible input services.	0.37	May'12 to May'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.64	July'13 to June'14	Audit Commissionerate, Jaipur
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	0.16	2012-14	Assistant Commissioner, New Delhi
Central Excise Act, 1944	Cenvat reversed in respect of Debit Note issued to transporter for short receipt of inputs	0.07	2011-12	Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services.	1.11	2014-15 and April'15 to Oct'15	Additional Commissioner, Faridabad-II

Central Excise Act, 1944	Cenvat credit taken on iron items	0.02	Jan'15 to Dec'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis.	0.77	2014-15	Assistant Commissioner, Service Tax, Faridabad
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis.	0.17	2011-12	Assistant Commissioner, Service Tax, Gurgaon
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on negligible inputs and input services.	0.29	Apr'14 to Nov'15	Assistant Commissioner, Excise, Gurgaon

#### **Annexure to auditor's report for the financial year ended March 31, 2016**

##### **1) Clause (i)(c)**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties, included in fixed assets are held in the name of the Company, except a residential building at bhiwadi of gross block Rs. 5.6 millions and net block Rs. 5.44 millions which is yet to be registered in the name of the Company. As explained to us registration of title deed is in progress in respect of above mentioned immovable property.

##### **2) Clause (vii)(a)**

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and Other Material Statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

##### **3) Clause (vii)(c)**

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in millions)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	5.15	2012-13 and 2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal

Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on wrong availment and utilization of Cenvat credit.	0.78	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs.	0.03	Dec'13 to Dec'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Demand of Central Excise Duty on VAT subsidy	0.19	Jan'15 to Dec'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Non-payment/short payment of service tax on services on reverse charge basis and wrong availment of Cenvat credit on negligible inputs and input services.	16.28	2011-12 & 2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Demand for short reversal of central excise duty as such clearance and availment and utilization of Cenvat credit based on improper documents.	85.61	Nov'14 to Sep'15	Assistant Commissioner, Alwar
Central Excise Act, 1944	wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	1.13	2013-14	Additional Commissioner, Faridabad
Central Excise Act, 1944	wrong availment and utilization of Cenvat credit on inadmissible input services.	0.37	May'12 to May'15	Assistant Commissioner, Bhiwadi
Central Excise Act, 1944	Demand for Central Excise Duty on VAT subsidy	0.86	July'13 to June'14	Audit Commissionerate, Jaipur
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	0.17	2012-14	Assistant Commissioner, New Delhi
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit on inadmissible inputs and input services.	0.05	2010-11	Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Cenvat reversed in respect of Debit Note issued to transporter for short receipt of inputs	0.07	2011-12	Deputy Commissioner, Gurgaon



**4) Clause (x)**

We have been informed that an ex-employee of the Company in connivance with certain transporters has defalcated an amount of approx. Rs. 6millions from the Company by way of raising false and frivolous claims through forged and fabricated transportation bills. Company has already filed an FIR against the ex-employee and his accomplices, Transporters. However, Company is adequately covered by fidelity insurance cover and has duly filed a claim about the above defalcated amount with the Insurance Company. Further, the employee has since resigned and the Company has written back a sum of Rs. 0.97 million being amount due to transporter / employee and recovered Rs. 0.5million from the employee. Balance amount has been charged off. However, the Company is taking steps to recover the amount charged off.

**Annexure to auditor's report for the financial year ended March 31, 2015****1) Clause (vii)(a)**

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and Other Material Statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

**2) Clause (vii)(c)**

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in millions)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	4.63	2012-13	Commissioner, Appeal, Customs
Customs Act, 1962	Demand for Custom duty, interest and penalty on misclassification of goods	0.52	2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit, demand, penalty and fine imposed	400.13	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh

The Uttarakhand value Added Tax Act, 2005	Wrong TIN in VAT return filed	226.59	2013-14	Deputy Commissioner, Commercial Tax Department, Uttarakhand
The Uttarakhand value Added Tax Act, 2005	Form 11 under Act is not provided to department for concessional duty charged from customers	1.18	2012-13	Deputy Commissioner, Commercial Tax Department, Uttarakhand

#### **Annexure to auditor's report for the financial year ended March 31, 2014**

##### **1) Clause (ix)(b)**

According to the records of the Company, there were no dues of income tax, wealth tax and, service tax, custom duties, excise duties and cess which have not been deposited on account of disputes. However reference is invited to the following regarding disputed matters:

(i) The Central Excise Authorities at Faridabad, in relation to the period from April 2006 to May 2008, has issued show cause notice on 17th March 2010 against the Company for explaining certain matters. The Company filed appeal against the adjudication order before CESTAT, Delhi, which is pending. According to the advice from experts received by the Company, the entire matter is liable to set be set aside as the same is time barred and no positive evidence has been brought on record against the Company. The Company is confident that the matter will be decided in its favour and hence does not foresee any liability on this account.

(ii) No provision has been made in respect of sale tax demand of Rs. 3.77 millions for the year 2008-09 and Rs. 17.10 millions for the year 2007-08 raised by DETC, Faridabad. The Company has filed appeal before JETC (Appeal), Faridabad, which is pending.

(iii) The Company has received a letter from Rajasthan Sales Tax Authorities, demanding Rs. 0.07 million for wrong charging of CST on Sales tax invoice. Company has deposited above demand & filed appeal against above demand notices at higher authorities.

## **Annexure to auditor's report for the financial year ended March 31, 2013**

### **1) Clause (ix)(b)**

According to the records of the Company, there were no dues of income tax, wealth tax and, service tax, custom duties, excise duties and cess which have not been deposited on account of disputes. However reference is invited to the following regarding disputed matters:

(i) The Central Excise Authorities at Faridabad, in relation to the period from April 2006 to May 2008, has issued show cause notice on 17th March 2010 against the Company for explaining certain matters. The Company filed appeal against the adjudication order before CESTAT, Delhi, which is pending. According to the advice from experts received by the Company, the entire matter is liable to set be set aside as the same is time barred and no positive evidence has been brought on record against the Company. The Company is confident that the matter will be decided in its favour and hence does not foresee any liability on this account.

(ii) No provision has been made in respect of sale tax demand of Rs. 3.76 millions for the year 2008-09 and Rs. 17.10 millions for the year 2007-08 raised by DETC, Faridabad. The Company has filed appeal before JETC (Appeal), Faridabad, which is pending.

(iii) The Company has received a letter from Rajasthan Sales Tax Authorities, demanding Rs.0.07 million for wrong charging of CST on Sales tax invoice. Company has deposited above demand & filed appeal against above demand notices at higher authorities.

## **Annexure VI (PART D): MATERIAL REGROUPING**

Appropriate adjustments have been made in the Restated unconsolidated summary statement of Asset and Liabilities, Restated unconsolidated summary statement of Profit and Loss and Restated unconsolidated summary Statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the classifications as per the audited financial statements of the Company and its subsidiaries as at and for the nine months ended December 31, 2017 prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 (as amended).

Particulars	Freehold Land	Leasehold Land	Buildings**	Leasehold Improvements	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total	Capital Work in Progress
<b>Cost</b>											
<b>At 1 April 2012* (Proforma)</b>	<b>17.07</b>	<b>33.90</b>	<b>212.34</b>	<b>2.69</b>	<b>334.18</b>	<b>7.43</b>	<b>4.69</b>	<b>8.00</b>	<b>3.13</b>	<b>623.43</b>	<b>52.43</b>
Additions	-	-	38.44	7.28	91.76	3.47	4.08	16.20	1.27	<b>162.50</b>	
Disposals	-	-	-	-	1.72	-	0.09	-	0.04	<b>1.85</b>	43.34
Adjustment related to Exchange Fluctuation	-	-	-	-	2.17	-	-	-	-	<b>2.17</b>	-
<b>At 31 March 2013 (Proforma)</b>	<b>17.07</b>	<b>33.90</b>	<b>250.78</b>	<b>9.97</b>	<b>426.39</b>	<b>10.90</b>	<b>8.68</b>	<b>24.20</b>	<b>4.36</b>	<b>786.25</b>	<b>9.07</b>
Additions	54.80	-	6.71	9.34	149.50	0.86	2.34	5.25	3.77	<b>232.57</b>	30.75
Disposals	-	-	-	-	3.76	0.31	0.03	0.44	0.05	<b>4.59</b>	
<b>At 31 March 2014 (Proforma)</b>	<b>71.87</b>	<b>33.90</b>	<b>257.49</b>	<b>19.31</b>	<b>572.13</b>	<b>11.45</b>	<b>10.99</b>	<b>29.01</b>	<b>8.08</b>	<b>1,014.23</b>	<b>39.82</b>
Additions	0.12	-	10.90	4.10	106.88	2.65	1.88	15.11	1.81	<b>143.45</b>	
Disposals	-	-	-	-	5.64	0.03	0.68	2.98	0.04	<b>9.37</b>	11.95
<b>At 31 March 2015 (Proforma)</b>	<b>71.99</b>	<b>33.90</b>	<b>268.39</b>	<b>23.41</b>	<b>673.37</b>	<b>14.07</b>	<b>12.19</b>	<b>41.14</b>	<b>9.85</b>	<b>1,148.31</b>	<b>27.87</b>
Additions	-	-	2.22	1.44	65.29	4.72	1.90	2.21	2.01	<b>79.78</b>	-
Disposals	-	-	-	-	11.16	0.59	2.38	-	1.56	<b>15.69</b>	16.77
<b>At 31 March 2016 (Proforma)</b>	<b>71.99</b>	<b>33.90</b>	<b>270.61</b>	<b>24.85</b>	<b>727.50</b>	<b>18.20</b>	<b>11.71</b>	<b>43.35</b>	<b>10.30</b>	<b>1,212.41</b>	<b>11.10</b>
Additions	-	-	0.09	-	11.47	-	2.79	-	1.57	<b>15.91</b>	-
Disposals	-	-	-	-	24.95	0.52	1.36	-	0.74	<b>27.57</b>	3.31
<b>At 31 March 2017</b>	<b>71.99</b>	<b>33.90</b>	<b>270.70</b>	<b>24.85</b>	<b>714.02</b>	<b>17.68</b>	<b>13.14</b>	<b>43.35</b>	<b>11.13</b>	<b>1,200.76</b>	<b>7.79</b>
Additions	-	-	-	-	29.85	0.14	0.81	2.41	0.65	33.86	7.50
Disposals	-	-	-	-	-	-	-	4.64	-	4.64	-
Adjustments***	-	-	-	-	19.02	-	-	-	-	19.02	-
<b>At 31st December 2017</b>	<b>71.99</b>	<b>33.90</b>	<b>270.70</b>	<b>24.85</b>	<b>724.85</b>	<b>17.82</b>	<b>13.95</b>	<b>41.12</b>	<b>11.78</b>	<b>1,210.92</b>	<b>15.29</b>

Particulars	Freehold Land	Leasehold Land	Buildings**	Leasehold Improvements	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total	Capital Work in Progress
<b>Depreciation</b>											
<b>At 1 April 2012* (Proforma)</b>	-	-	-	-	-	-	-	-	-	-	-
Additions	-	0.40	7.89	2.74	37.37	0.69	0.51	2.52	1.23	53.35	
Disposals	-	-	-	-	0.23	-	0.01	-	-	0.24	
<b>At 31 March 2013 (Proforma)</b>	-	<b>0.40</b>	<b>7.89</b>	<b>2.74</b>	<b>37.14</b>	<b>0.69</b>	<b>0.50</b>	<b>2.52</b>	<b>1.23</b>	<b>53.11</b>	
Additions	-	0.40	8.32	3.76	46.11	0.82	0.61	2.95	1.10	64.07	
Disposals	-	-	-	-	0.91	0.04	0.00	0.16	0.08	1.20	
<b>At 31 March 2014 (Proforma)</b>	-	<b>0.80</b>	<b>16.21</b>	<b>6.50</b>	<b>82.34</b>	<b>1.47</b>	<b>1.11</b>	<b>5.31</b>	<b>2.25</b>	<b>115.99</b>	
Additions****	-	0.40	13.43	2.77	75.76	2.54	4.17	5.18	3.31	107.56	
Disposals	-	-	-	-	0.65	0.01	0.47	0.41	0.04	1.58	
<b>At 31 March 2015 (Proforma)</b>	-	<b>1.20</b>	<b>29.64</b>	<b>9.27</b>	<b>157.45</b>	<b>4.00</b>	<b>4.81</b>	<b>10.08</b>	<b>5.52</b>	<b>221.97</b>	
Additions	-	0.40	8.49	2.53	77.61	2.35	2.73	5.90	2.58	102.59	
Disposals	-	-	-	-	6.88	0.28	1.58	-	1.51	10.24	
<b>At 31 March 2016 (Proforma)</b>	-	<b>1.60</b>	<b>38.13</b>	<b>11.80</b>	<b>228.18</b>	<b>6.07</b>	<b>5.96</b>	<b>15.98</b>	<b>6.59</b>	<b>314.31</b>	
Additions	-	0.40	8.54	2.80	76.09	1.91	2.61	4.89	2.18	99.42	
Disposals	-	-	-	-	13.26	0.24	1.17	-	0.69	15.36	
<b>At 31 March 2017</b>	-	<b>2.00</b>	<b>46.67</b>	<b>14.60</b>	<b>291.01</b>	<b>7.74</b>	<b>7.40</b>	<b>20.87</b>	<b>8.08</b>	<b>398.37</b>	
Additions	-	0.30	6.62	1.71	57.89	1.20	1.42	3.37	1.15	73.66	
Disposals	-	-	-	-	-	-	-	3.58	-	3.58	
Adjustments***	-	-	-	-	17.86	-	-	-	-	17.86	
<b>At 31st December 2017</b>	-	<b>2.30</b>	<b>53.29</b>	<b>16.31</b>	<b>331.04</b>	<b>8.94</b>	<b>8.82</b>	<b>20.66</b>	<b>9.23</b>	<b>450.59</b>	
<b>Net block</b>											
At 1 April 2012* (Proforma)	17.07	33.90	212.34	2.69	334.18	7.43	4.69	8.00	3.13	623.43	
At 31 March 2013 (Proforma)	17.07	33.50	242.89	7.23	389.25	10.21	8.18	21.68	3.13	733.14	9.07
At 31 March 2014 (Proforma)	71.87	33.10	241.28	12.81	489.79	9.98	9.88	23.70	5.83	898.24	39.82
At 31 March 2015 (Proforma)	71.99	32.70	238.75	14.14	515.92	10.07	7.38	31.06	4.33	926.34	27.87
At 31 March 2016 (Proforma)	71.99	32.30	232.48	13.05	499.32	12.13	5.75	27.37	3.71	898.10	11.10
As at 31 March 2017	71.99	31.90	224.03	10.25	423.01	9.94	5.74	22.48	3.05	802.39	7.79
As at 31st December 2017	71.99	31.60	217.41	8.54	393.81	8.88	5.13	20.46	2.55	760.37	15.29

\* The Company has elected the option of Previous GAAP carrying value as deemed cost for property, plant and equipment.

\*\* A residential building at Bhiwadi having a gross block Rs. 5.60 millions (March 31, 2016: Rs. 5.60 millions, March 31, 2015: Rs. 5.60 millions, March 31, 2014 & March 31, 2013 : Nil) and net block Rs. 5.35 millions (March 31, 2016: Rs 5.44 millions, March 31, 2015: Rs. 5.53 millions, March 31, 2014 & March 31, 2013 :Nil ) is yet to be registered in the name of the Company.

\*\*\* Adjustment to plant and equipment having Gross block of Rs.19.02 millions and accumulated depreciation of Rs. 17.86 millions has been subsequently sold and has been disclosed as 'Assets held for sale' refer Annexure XVIII.

\*\*\*\* W.e.f. April 01, 2014 Schedule XIV to the Companies Act, 1956 has been replaced by Schedule II to the Companies Act, 2013.Considering the applicability of Schedule II, the management has restimated the useful lives and residual values of all its fixed assets which resulted to increase in the depreciation expense by Rs. 25.37 millions during the year ended March 31, 2015.

# The number reported are net (addition less deletion)

#### Notes:

1) During the period ended December 31,2017 , the Company has re-assessed and made a downward revision in the useful lives of certain plant and equipment having a gross block of Rs. 19.02 millions and such plant and equipment has been sold subsequently. In view of this change, depreciation charge for the said period is higher by Rs. 6.66 millions)

2)Indian Rupee Term Loan of the Company is secured by first charge by way of equitable mortgage in favour of SIDBI of all the lease hold rights in the immovable properties, both present and future at Haridwar unit and first charge by way of hypothecation of all the movable assets except vehicles specifically hypothecated against vehicle loans, such as plant and machinery, equipments, spares, tools, miscellaneous fixed assets, utilities and ancillary equipments etc. The Term loan is also collaterally secured by extension of first charge by way of hypothecation on all movable fixed assets, present and future of Haridwar unit of the Company

3) The Vehicle Loans of the Company are secured by way of first charge over specific vehicle.

4) Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by second pari-passu charge with other working capital lenders under consortium on Property, Plant and Equipment (present and future) at Tatarpur, Haridwar, Bhiwadi, Gurgaon, and Manesar plants except vehicles specifically hypothecated against vehicle loans and assets charged to SIDBI.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure VIII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF INVESTMENT PROPERTY

(Amounts in Rs. millions)

Particulars	Amount
At April, 01 2012 (Proforma)	-
Additions	-
At March 31, 2013 (Proforma)	-
Additions	-
At March 31, 2014 (Proforma)	-
Additions	-
At March 31, 2015 (Proforma)	-
Additions	-
At March 31, 2016 (Proforma)	-
Additions	-
At March 31, 2017	-
Additions	27.91
At December 31, 2017	27.91
Net Block	
At 1 April 2012 (Proforma)	-
At 31 March 2013 (Proforma)	-
At 31 March 2014 (Proforma)	-
At 31 March 2015 (Proforma)	-
At 31 March 2016 (Proforma)	-
At 31 March 2017	-
At 31 December 2017	27.91

(Amounts in Rs. millions)

Information regarding income and expenditure of Investment property	For the period ended December 31, 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Rental income derived from investment property	0.31	-	-	-	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-	-	-	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-	-	-	-	-
Profit arising from investment properties before indirect expenses	0.31	-	-	-	-	-
Profit arising from investment properties before indirect expenses	0.31	-	-	-	-	-

The Company's investment property consists of freehold land in India and has been given on operating lease to a subsidiary company.

The fair value of investment property approximates its carrying value since the said freehold land has been acquired on December 07, 2017. No Fair Valuation has been carried out as at period end.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS

Unconsolidated Financial Statements- Annexure VI

## Annexure IX: RESTATED IND AS UNCONSOLIDATED STATEMENT OF INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amounts in Rs. millions)			
Particulars	Computer Software	Total	Intangible assets under development
<b>Cost</b>			
<b>At 1 April 2012* (Proforma)</b>	2.08	2.08	0.27
Additions	2.22	2.22	-
Disposals	-	-	0.27 #
<b>At 31 March 2013 (Proforma)</b>	<b>4.30</b>	<b>4.30</b>	<b>-</b>
Additions	2.76	2.76	11.75 #
Disposals	-	-	-
<b>At 31 March 2014 (Proforma)</b>	<b>7.06</b>	<b>7.06</b>	<b>11.75</b>
Additions	0.20	0.20	5.75 #
Disposals	-	-	-
<b>At 31 March 2015 (Proforma)</b>	<b>7.26</b>	<b>7.26</b>	<b>17.50</b>
Additions			
	12.96	12.96	-
Disposals	0.42	0.42	9.53 #
<b>At 31 March 2016 (Proforma)</b>	<b>19.80</b>	<b>19.80</b>	<b>7.97</b>
Additions	10.70	10.70	-
Disposals	1.63	1.63	7.97 #
<b>At 31 March 2017</b>	<b>28.87</b>	<b>28.87</b>	<b>-</b>
Additions	0.52	0.52	-
Disposals	-	-	-
<b>At 31st December 2017</b>	<b>29.39</b>	<b>29.39</b>	<b>-</b>

<b>Depreciation</b>			
<b>At 1 April 2012* (Proforma)</b>			
Additions	0.90	0.90	-
Disposals	-	-	-
<b>At 31 March 2013 (Proforma)</b>	<b>0.90</b>	<b>0.90</b>	<b>-</b>
Additions	1.15	1.15	-
Disposals	-	-	-
<b>At 31 March 2014 (Proforma)</b>	<b>2.05</b>	<b>2.05</b>	<b>-</b>
Additions	1.30	1.30	-
Disposals	-	-	-
<b>At 31 March 2015 (Proforma)</b>	<b>3.35</b>	<b>3.35</b>	<b>-</b>
Additions	1.88	1.88	-
Disposals	0.32	0.32	-
<b>At 31 March 2016 (Proforma)</b>	<b>4.91</b>	<b>4.91</b>	<b>-</b>
Additions	4.66	4.66	-
Disposals	1.62	1.62	-
<b>At 31 March 2017</b>	<b>7.95</b>	<b>7.95</b>	<b>-</b>
Additions	3.29	3.29	-
Disposals	-	-	-
<b>At 31st December 2017</b>	<b>11.24</b>	<b>11.24</b>	<b>-</b>
<b>Net block</b>			
At 31 March 2012* (Proforma)	2.08	2.08	-
At 31 March 2013 (Proforma)	3.40	3.40	-
At 31 March 2014 (Proforma)	5.01	5.01	11.75
At 31 March 2015 (Proforma)	3.91	3.91	17.50
At 31 March 2016 (Proforma)	14.89	14.89	7.97
At 31 March 2017	20.92	20.92	-
At 31st December 2017	18.15	18.15	-

\*The Company has elected the option of Previous GAAP carrying value as deemed cost for intangible assets

# The number reported are net (addition less deletion)

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI.



**Annexure IX (A) : RESTATED IND AS UNCONSOLIDATED STATEMENT OF PRE-OPERATIVE EXPENSES (INCLUDED UNDER CAPITAL WORK IN PROGRESS)**

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Balance brought down</b>	-	-	-	-	-	-
Salaries, wages and Bonus	-	-	-	2.81	4.48	-
Staff Welfare expenses	-	-	-	0.12	-	-
Power and fuel	-	-	-	0.53	0.19	-
Repair and maintenance (Others)	-	-	-	0.00	-	-
Rent	-	-	-	0.09	4.10	-
Rates and taxes	-	-	-	0.05	0.34	-
Travelling and conveyance Expenses	-	-	-	1.06	-	-
Security service Expenses	-	-	-	0.63	-	-
Printing and stationery	-	-	-	0.02	-	-
Communication expenses	-	-	-	0.03	-	-
Legal, Professional expenses	-	-	-	1.62	0.10	-
	-	-	-	-	0.42	-
Freight and forwarding expense	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	0.15	2.31	-
<b>Sub-Total</b>	-	-	-	<b>7.11</b>	<b>11.93</b>	-
Less: Allocated to Fixed Assets	-	-	-	-	(11.93)	-
Written off *	-	-	-	(7.11)	-	-
	-	-	-	-	-	-

\*The pre-operative expenses were in respect of a capital project at Pune. The Company is now coming up with a new project and accordingly all expenses pertaining to old project have been written off during the period.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

## Annexure X: RESTATED IND AS UNCONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS

(Amounts in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Investments at cost #</b>						
<b>Investment in associate (unquoted)</b>						
Suvridhi Financial Services Limited*****						
- 1,198,600 March 31, 2017: 1,198,600 : March 31, 2016: 1,198,600 , March 31, 2015: 1,198,600, March 31, 2014: 1,198,600 and March 31, 2013: 1,198,600) equity shares of Rs.10/- each (fully paid up)	2.38	2.38	2.38	2.38	2.38	2.38
<b>Investment in Subsidiaries (Unquoted)</b>						
Sanjivani Non Ferrous Trading Private Limited						
- 225,766 (March 31, 2017: 225,766 : March 31, 2016: 104,300 , March 31, 2015: 104,300, March 31, 2014: Nil and March 31, 2013: Nil) equity shares of Rs.10/- each (fully paid up) *****	41.98	41.98	17.93	17.93	-	-
CMR Nikkei India Private Limited* & *****						
- 39,200,000 (March 31, 2017: 39,200,000: March 31, 2016: 24,500,000, March 31, 2015: 17,000,000, March 31, 2014: 17,000,000 and March 31, 2013: 13,600,000) equity shares of Rs.10/- each (fully paid up)	392.00	392.00	245.00	170.00	170.00	136.00
- Equity portion of corporate guarantees	16.94	12.52	6.55	14.32	5.37	-
CMR- Toyotsu Aluminium India Private Limited** & *****						
- 17,500,000 (March 31, 2017: 17,500,000 : March 31, 2016: 17,500,000, March 31, 2015: 17,500,000, March 31, 2014: 17,500,000 and March 31, 2013: 7,000) equity shares of Rs.10/- each (fully paid up)	175.00	175.00	175.00	175.00	175.00	0.07
- Nil (March 31, 2017: Nil : March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 17,493,000) equity shares of Rs.10/- each (Partly Paid @ Rs. 7.15 per share)	-	-	-	-	-	125.07
- Equity portion of corporate guarantees	13.98	10.13	6.27	13.37	6.05	-
CMR America LLC	-	-	-	-	0.05	0.05
<b>At fair value through profit and loss</b>						
<b>Investment in subsidiary (unquoted)</b>						
CMR- Toyotsu Aluminium India Private Limited ****						
- 20,000,000 (March 31, 2017: 20,000,000 : March 31, 2016: 20,000,000, March 31, 2015: 20,000,000, March 31, 2014: Nil and March 31, 2013: Nil) cumulative non convertible and redeemable preference shares of Rs.10/- each (fully paid up)	200.00	200.00	200.00	200.00	-	-
CMR Nikkei India Private Limited						
- Nil (March 31, 2017: Nil : March 31, 2016: Nil, March 31, 2015: 7,500,000, March 31, 2014: Nil and March 31, 2013: Nil) preference shares of Rs.10/- each (fully paid up)	-	-	-	75.00	-	-
<b>Investment in equity instruments others (unquoted) ***</b>						
<b>At fair value through profit and loss</b>						
Mardia Steel Limited						
- 4,900 (March 31, 2017: 4,900: March 31, 2016: 4,900, March 31, 2015: 4,900, March 31, 2014: 4,900 and March 31, 2013: 4,900 ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	0.01	0.01	0.01	0.01
Usha India Limited						
- 10,000 (March 31, 2017: 10,000: March 31, 2016: 10,000, March 31, 2015: 10,000, March 31, 2014: 10,000 and March 31, 2013: 10,000 ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	0.01	0.01	0.01	0.01
DSJ Communication Limited						
- 25,000 (March 31, 2017: 25,000: March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: Nil ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	-	-	-	-

**Investment in equity instruments (Quoted)****At fair value through profit and loss**

DSJ Communication Limited

- Nil (March 31, 2017: Nil : March 31, 2016: 25,000, March 31, 2015: 25,000, March 31, 2014: 25,000 and March 31, 2013: 25,000 ) equity shares of Rs.10/- each (fully paid up)

	-	-	0.01	0.01	0.01	0.01
<b>Total</b>	<b>842.31</b>	<b>834.04</b>	<b>653.16</b>	<b>668.03</b>	<b>358.88</b>	<b>263.60</b>
Aggregate amount of Quoted investments	-	-	0.01	0.01	0.01	0.01
Aggregate amount of Unquoted investments	842.31	834.04	653.15	668.02	358.87	263.59

#The Company has elected the option of Previous GAAP carrying value as deemed cost for investment in equity shares of subsidiaries and associate.

\*59,72,975 (March 31, 2017:59,72,975, March 31, 2016 : 59,72,975, March 31, 2015: Nil ,March 31, 2014 : Nil, March 31, 2013 : Nil ) equity shares are pledged with State Bank of India against credit facilities given by the bank to the subsidiary company.

\*\* 75,00,000 (March 31, 2017:75,00,000, March 31, 2016 : 75,00,000, March 31, 2015: Nil ,March 31, 2014 : Nil, March 31, 2013 : Nil ) equity shares are pledged with State Bank of India against credit facilities given by the bank to the subsidiary company.

\*\*\* The above investments are in listed companies. However, the quoted price of the shares of these companies are not available as they are not being traded. Accordingly, these investments have been considered as unquoted investments.

\*\*\*\* These preference shares have been converted into equity shares as per resolution passed in the meeting of board of directors held on March 26, 2018.

\*\*\*\*\*The Company has subsequently invested an amount of Rs. 222 millions in equity share capital of CMR Nikkei India Private Limited.

\*\*\*\*\*The Company has subsequently invested an amount of Rs. 300 millions in equity share capital of CMR- Toyotsu Aluminium India Private Limited including conversion of 20,000,000 preference shares into equity shares.

\*\*\*\*\* The Company has subsequent to current period made 100% divestment through sale of equity shares to the relatives of the Key management personnel.

\*\*\*\*\*The Board of Directors of the Company in their meeting held on May 14, 2018 has proposed and approved the sale of investments of 1,198,600 equity shares in the share capital of Suvridhi Financial Services Limited, an associate of the Company.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

## Annexure XI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF LOANS (AT AMORTISED COST)

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Security deposits</b>												
Unsecured, considered good	10.48	14.53	10.46	5.92	10.31	8.24	12.80	2.85	12.17	4.32	6.34	8.88
	<b>10.48</b>	<b>14.53</b>	<b>10.46</b>	<b>5.92</b>	<b>10.31</b>	<b>8.24</b>	<b>12.80</b>	<b>2.85</b>	<b>12.17</b>	<b>4.32</b>	<b>6.34</b>	<b>8.88</b>
<b>Loans*</b>												
Unsecured, considered good												
- to Related Party (Refer Annexure XL)	-	-	-	-	-	-	-	-	-	24.97	-	-
	-	-	-	-	-	-	-	-	-	<b>24.97</b>	-	-
<b>Others Loans &amp; Advances</b>												
<b>Secured, considered good</b>												
<b>Loans to employees **</b>												
Unsecured, considered good												
- to Related Parties (Refer Annexure XL)	-	0.55	-	1.05	-	0.95	-	1.24	-	-	-	-
- to Others	0.09	3.40	0.72	2.95	0.76	3.01	-	5.27	-	2.89	-	3.43
<b>Total</b>	<b>10.57</b>	<b>18.48</b>	<b>11.18</b>	<b>9.92</b>	<b>11.07</b>	<b>12.20</b>	<b>12.80</b>	<b>9.36</b>	<b>12.17</b>	<b>32.18</b>	<b>6.34</b>	<b>12.31</b>

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>* Dues from private limited companies in which directors of the Company are directors :</b>												
-CMR-Toyotsu Aluminium Private Limited	-	-	-	-	-	-	-	-	-	24.97	-	-
<b>**Loans to employees include:</b>												
(i) Due from Managing Director of the Company	-	0.47	-	0.85	-	0.95	-	1.24	-	-	-	-
(ii) Due from relative of Managing Director of the Company	-	-	-	0.20	-	-	-	-	-	-	-	-
(iii) Due from Chairman of the Company	-	0.07	-	-	-	-	-	-	-	-	-	-

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER FINANCIAL ASSETS (AT AMORTISED COST)

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Unsecured, considered good</b>												
Deposits with bank having maturity for more than 12 months (Refer Annexure XVII B)	13.03	-	31.82	-	28.60	-	18.82	-	19.40	-	23.93	-
Interest accrued on fixed deposits and others	1.03	6.71	-	1.40	-	1.98	0.21	3.29	-	1.68	-	1.03
Interest recoverable from related parties (Refer Annexure XL)*	-	7.77	-	13.36	-	16.37	-	-	-	-	-	-
Corporate guarantee commission receivable	-	4.42	-	4.89	-	2.03	-	3.72	-	0.06	-	-
Procurement commission receivable from related parties (Refer Annexure XL)**	-	18.77	-	18.38	-	34.94	-	-	-	-	-	-
Unbilled revenue	-	115.98	-	-	-	-	-	-	-	-	-	-
Subsidy from Commercial tax department receivable	-	-	-	-	-	1.78	-	1.77	-	1.29	-	2.25
Quality claim recoverable	-	-	-	3.45	-	-	-	-	-	-	-	-
Job work recoverable from related parties (Refer Annexure XL)**	-	-	-	3.90	-	-	-	-	-	-	-	-
Rent receivable from related party (Refer Annexure XL)****	-	0.31	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14.06</b>	<b>153.96</b>	<b>31.82</b>	<b>45.38</b>	<b>28.60</b>	<b>57.10</b>	<b>19.03</b>	<b>8.78</b>	<b>19.40</b>	<b>3.03</b>	<b>23.93</b>	<b>3.28</b>

\* Interest recoverable includes receivables from following private limited companies in which directors of the Company are directors:

CMR Nikkei India Private Limited	-	-	-	11.38	-	16.37	-	-	-	-	-	-
CMR Toyotsu Aluminium India Private Limited	-	7.77	-	1.98	-	-	-	-	-	-	-	-

\*\*Procurement commission receivable includes receivables from following private limited companies in which directors of the Company are directors.

CMR Nikkei India Private Limited	-	4.89	-	18.38	-	20.97	-	-	-	-	-	-
CMR Toyotsu Aluminium India Private Limited	-	13.88	-	-	-	13.97	-	-	-	-	-	-

\*\*\*Job work recoverable represents receivables from following private limited company in which directors of the Company are directors.

Sanjivani Non Ferrous Trading Private Limited	-	-	-	3.90	-	-	-	-	-	-	-	-
---	---	---	---	------	---	---	---	---	---	---	---	---

\*\*\*\*Rent Receivable represents receivables from following private limited company in which directors of the Company are directors.

CMR Nikkei India Private Limited	-	0.31	-	-	-	-	-	-	-	-	-	-
----------------------------------	---	------	---	---	---	---	---	---	---	---	---	---

**Note:-**

1. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all the current financial assets of the Company .

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XIII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER ASSETS

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Unsecured, considered good</b>												
Capital advances **												
- Related party (Refer Annexure XL )	21.84	-	21.79	-	16.79	-	16.79	-	-	-	-	-
- to others	0.70	-	2.97	-	8.92	-	3.37	-	9.10	-	15.99	-
Prepaid expenses	7.40	11.48	8.78	12.44	0.36	19.26	-	19.49	-	15.35	-	11.99
Balance with Statutory/ Government Authorities	-	481.83	-	187.86	-	50.36	-	138.44	-	62.01	-	28.71
Unutilised Focus License	-	4.29	-	3.90	-	-	-	-	-	-	-	-
Advance to Suppliers												
- Related parties * (Refer Annexure XL)	-	460.61	-	617.44	-	928.67	-	619.81	-	-	-	-
- Others	-	344.16	-	113.50	-	125.84	-	95.59	-	593.04	-	391.95
Insurance claims receivable		1.63		2.24		0.66		0.91		4.16		1.28
<b>Total</b>	<b>29.94</b>	<b>1,304.00</b>	<b>33.54</b>	<b>937.38</b>	<b>26.07</b>	<b>1,124.79</b>	<b>20.16</b>	<b>874.24</b>	<b>9.10</b>	<b>674.56</b>	<b>15.99</b>	<b>433.93</b>

**\* Due from private limited companies in which directors of the Company are directors :**

-CMR-Toyotsu Aluminium Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
-Sanjivani Non Ferrous Trading Private Limited	-	459.56	-	616.46	-	928.61	-	619.77	-	-	-	-
-Grand Metal Industries Private Limited	-	0.94	-	0.91	-	0.04	-	0.02	-	-	-	-
-Grand Metal Recycling Private Limited	-	0.01	-	0.02	-	-	-	-	-	-	-	-
-Suvridhi Financial Service Limited	-	0.09	-	0.06	-	0.02	-	0.02	-	-	-	-

**\*\* Capital advances include:-**

Due from Managing Director of the company	21.84		21.79		16.79		16.79		-		-	
---	-------	--	-------	--	-------	--	-------	--	---	--	---	--

**Note:-**

1. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all the current other assets of the Company .

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Annexure XIV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF DEFERRED TAX LIABILITIES (NET)**

The major component of income tax expense for the following:

**Statement of profit and loss:****Profit or loss section**

(Amounts in Rs. millions)

	For the period ended December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Current income tax:						
Current income tax charge	223.43	262.22	19.91	17.00	14.54	64.90
MAT credit adjustment	-	-	(1.06)	(13.18)	(9.39)	(36.94)
Deferred tax:						
Relating to origination and reversal of temporary differences	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
<b>Income tax expense reported in the statement of profit or loss</b>	<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>

**Other Comprehensive Income (OCI) section**

Deferred tax relating to items in OCI:

(Amounts in Rs. millions)

	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Net deferred tax (loss)/gain on measurement of defined benefit plans	(0.26)	0.60	(0.30)	(0.12)	(0.64)	(0.55)

**Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s):**

(Amounts in Rs. millions)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Accounting profit before income tax (including items of OCI)	738.40	874.14	114.95	48.12	60.64	333.44
At India's statutory income tax rate applicable in the respective year	255.55	302.52	39.78	16.36	20.61	108.18
Difference in tax expense on account of change in tax rate	-	-	(0.89)	4.68	-	-
Tax on Interest on income tax.	2.12	1.37	-	-	-	-
Tax on Profit exempt from tax	(37.98)	(53.04)	(22.17)	(21.61)	(5.05)	(73.31)
Tax on Other items	(0.11)	0.95	(1.23)	0.92	(3.07)	1.47
At the effective income tax rate applicable in the respective year	<b>219.58</b>	<b>251.80</b>	<b>15.48</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>
Income tax expense reported in the statement of profit and loss	<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>
Income Tax Rate applicable in the respective year	<b>34.61%</b>	<b>34.61%</b>	<b>34.61%</b>	<b>33.99%</b>	<b>33.99%</b>	<b>32.45%</b>

**Deferred tax:**

Deferred tax relates to the following:

(Amounts in Rs. millions)

Statement of Assets and Liabilities						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Deferred tax liabilities:-</b>						
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(72.35)	(78.30)	(85.36)	(85.13)	(79.33)	(69.65)
On deferred government grant related to EPCG	(2.24)	(2.24)	(2.24)	(1.94)	(0.42)	-
On fair valuation of interest free loan	(0.49)	(0.17)	(0.12)	(0.14)	(0.26)	(0.65)
On derivative instruments - Forward Contracts	(0.34)	0.13	0.53	0.19	0.30	-
<b>Deferred tax Assets:-</b>						
Provision for Gratuity, Leave encashment and Bonus	16.94	18.51	14.95	16.91	6.26	7.19
Provision for doubtful debts	10.37	10.37	8.99	4.52	4.52	2.16
MAT credit Entitlement	-	31.29	106.12	105.06	91.88	79.83
TDS Disallowances	0.20	0.20	0.74	-	-	-
	<b>(47.91)</b>	<b>(20.21)</b>	<b>43.61</b>	<b>39.47</b>	<b>22.95</b>	<b>18.88</b>

(Amounts in Rs. millions)

**Statement of Profit and Loss**

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Deferred tax Liabilities:-</b>						
Impact of difference between tax depreciation and depreciation/	5.95	7.06	(0.24)	(5.79)	(9.68)	(13.28)
On deferred government grant related to EPCG	-	-	(0.30)	(1.52)	(0.42)	-
On fair valuation of interest free loan	(0.32)	(0.05)	0.01	0.13	0.38	0.16
<b>Deferred tax Assets:-</b>						
Provision for Gratuity, Leave encashment and Bonus	(1.57)	3.56	(1.96)	10.65	(0.93)	2.03
Provision for doubtful debts	(0.00)	1.38	4.46	0.00	2.37	2.16
On derivative instruments - Forward Contracts	(0.47)	(0.40)	0.35	(0.11)	0.30	-
MAT credit Entitlements	(31.29)	(74.83)	1.06	13.18	12.05	36.94
TDS Disallowances	-	(0.54)	0.74	-	-	-
	<b>(27.70)</b>	<b>(63.82)</b>	<b>4.12</b>	<b>16.54</b>	<b>4.07</b>	<b>28.01</b>
Deferred Tax charge/(credit) without MAT Credit Entitlements	<b>3.61</b>	<b>11.02</b>	<b>3.06</b>	<b>3.34</b>	<b>(7.98)</b>	<b>(8.93)</b>
Shown under OCI section - (loss)/gain	(0.26)	0.60	(0.30)	(0.12)	(0.64)	(0.55)
Shown under profit and loss section - charge/(credit)	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38

Reflected in the balance sheet as follows:

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Deferred tax liability	75.42	80.58	87.21	87.02	79.71	70.30
Deferred tax assets	(27.51)	(60.37)	(130.80)	(126.49)	(102.66)	(89.18)
<b>Deferred Tax Liabilities/(Asset )(Net)</b>	<b>47.91</b>	<b>20.21</b>	<b>(43.61)</b>	<b>(39.47)</b>	<b>(22.95)</b>	<b>(18.88)</b>

**Reconciliation of deferred tax liabilities (net):**

(Amounts in Rs. millions)

	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Opening balance</b>	<b>20.21</b>	<b>(43.61)</b>	<b>(39.47)</b>	<b>(22.95)</b>	<b>(18.88)</b>	<b>9.12</b>
Tax (income)/expense during the period recognised in profit or loss	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
Tax (income)/expense during the period recognised in OCI	0.26	(0.60)	0.30	0.12	0.64	0.55
Change in MAT credit entitlement *	31.29	74.83	(1.06)	(13.18)	(12.05)	(36.94)
<b>Closing balance of deferred tax liabilities/(Asset) (Net)</b>	<b>47.91</b>	<b>20.21</b>	<b>(43.61)</b>	<b>(39.47)</b>	<b>(22.95)</b>	<b>(18.88)</b>

\* including MAT credit utilisation during the period/ year

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company had recognized Minimum Alternate Tax (MAT) credit entitlement as follows which represented that portion of the MAT Liability, the credit of which has been utilised as per the provision of Section 115JAA of the Income Tax Act, 1961.

(Rs.in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
MAT Credit Entitlement	-	31.29	106.12	105.06	91.88	79.83

The figures above disclosed above are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI



## Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

## Annexure XV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF INVENTORIES

(at lower of cost and net realisable value)

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Raw materials*	1,650.52	746.70	407.91	723.32	795.56	664.31
Finished goods**	132.39	87.72	33.58	209.89	116.63	118.34
Stores and spares	25.61	29.52	19.54	20.28	19.56	19.63
	<b>1,808.52</b>	<b>863.94</b>	<b>461.03</b>	<b>953.49</b>	<b>931.75</b>	<b>802.28</b>
<b>* Raw materials include :-</b>						
-material in transit	926.71	259.05	26.28	61.64	234.76	251.99
<b>** Packing materials includes-</b>						
<b>** Finished goods include :-</b>						
-material in transit	8.30	-	-	-	-	-

Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all type of stocks lying in the Company's factories, godowns, elsewhere (including GIT).

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XVI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF TRADE RECEIVABLES**

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Trade receivables	1,292.30	994.87	1,041.58	1,117.10	1,726.57	1,229.41
Receivables from related parties (Refer Annexure XL)**	40.94	0.71	37.87	-	-	-
<b>TOTAL</b>	<b>1,333.25</b>	<b>995.58</b>	<b>1,079.45</b>	<b>1,117.10</b>	<b>1,726.57</b>	<b>1,229.41</b>
<b>Break-up for security details and more than 6 months overdue:</b>						
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>						
Unsecured, considered good	3.73	0.33	51.24	53.89	35.99	17.95
Unsecured, considered doubtful	29.95	29.95	29.95	29.95	8.07	6.54
	<b>33.68</b>	<b>30.28</b>	<b>81.19</b>	<b>83.84</b>	<b>44.06</b>	<b>24.50</b>
Allowances for bad and doubtful debts	(29.95)	(29.95)	(29.95)	(29.95)	(8.07)	(6.54)
	<b>3.73</b>	<b>0.33</b>	<b>51.24</b>	<b>53.89</b>	<b>35.99</b>	<b>17.95</b>
<b>Other receivables</b>						
Unsecured, considered good	1,329.51	995.25	1,028.21	1,063.21	1,690.58	1,211.46
Unsecured, considered doubtful	-	-	-	-	5.24	0.10
	<b>1,329.51</b>	<b>995.25</b>	<b>1,028.21</b>	<b>1,063.21</b>	<b>1,695.81</b>	<b>1,211.56</b>
Allowances for bad and doubtful receivables	-	-	-	-	(5.24)	(0.10)
	<b>1,329.51</b>	<b>995.25</b>	<b>1,028.21</b>	<b>1,063.21</b>	<b>1,690.58</b>	<b>1,211.46</b>
<b>Total</b>	<b>1,333.24</b>	<b>995.58</b>	<b>1,079.45</b>	<b>1,117.10</b>	<b>1,726.57</b>	<b>1,229.41</b>

\*\*Trade receivable include Nil (March 31, 2017 : Rs. 0.71 millions, March 31, 2016: Rs.37.87 millions, March 31, 2015: Nil, March 31, 2014 : Nil, March 31, 2013 : Nil) due from CMR Nikkei India Private Limited in which directors of the Company are directors.

\*\*Trade receivables include Rs. 40.94 millions ( March 31, 2017 Nil , March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014 : Nil, March 31, 2013 : Nil) due from CMR Toyotsu Aluminium India Private Limited in which directors of the Company are directors.

**Notes:-**

1. For terms and conditions relating to related party receivables, refer Annexure XL
2. Trade receivables are generally non-interest bearing and are generally on terms of 0 to 90 days.
3. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on Company's book debts (present and future).

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XVII(a): RESTATED IND AS UNCONSOLIDATED STATEMENT OF CASH AND CASH EQUIVALENTS**

(Amounts in Rs. millions)

Particulars	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Cash and cash equivalents</b>												
Cash on hand	-	0.58	-	0.81	-	2.35	-	2.35	-	3.45	-	1.42
Balances with banks:	-	-	-	-	-	-	-	-	-	-	-	-
- Current accounts	-	0.68	-	145.63	-	68.04	-	21.15	-	1.66	-	1.21
- Cash credit from banks	-	31.10	-	-	-	95.23	-	-	-	-	-	-
Deposits with original maturity for less than 3 months	-	-	-	-	-	-	-	7.50	-	-	-	-
	-	<b>32.36</b>	-	<b>146.44</b>	-	<b>165.62</b>	-	<b>31.00</b>	-	<b>5.11</b>	-	<b>2.63</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Annexure XVII (b) : RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER BANK BALANCES**

(Amounts in Rs. millions)

Particulars	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<i>Deposits with banks:</i>												
Deposits with remaining maturity of less than 12 months*	-	82.24	-	81.08	-	83.84	-	96.91	-	79.55	-	55.33
Deposits with remaining maturity of more than 12 months*	13.03	-	31.82	-	28.60	-	18.82	-	19.40	-	23.93	-
	<b>13.03</b>	<b>82.24</b>	<b>31.82</b>	<b>81.08</b>	<b>28.60</b>	<b>83.84</b>	<b>18.82</b>	<b>96.91</b>	<b>19.40</b>	<b>79.55</b>	<b>23.93</b>	<b>55.33</b>
Amount disclosed under other non-current financial assets (refer Annexure XII)	(13.03)	-	(31.82)	-	(28.60)	-	(18.82)	-	(19.40)	-	(23.93)	-
	-	<b>82.24</b>	-	<b>81.08</b>	-	<b>83.84</b>	-	<b>96.91</b>	-	<b>79.55</b>	-	<b>55.33</b>

\* Deposits of Rs. 95.27 millions (March 31, 2017 : Rs.112.90 millions, March 31, 2016: Rs.112.44 millions, March 31, 2015: Rs. 115.73 millions, March 31, 2014 :Rs.98.94 millions, March 31, 2013: Rs.79.26 millions ) are pledged with bank against bank guarantees and margin money for availing Buyer's credit and loan from Government of Haryana.

**Note:-**

1. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all the cash and cash equivalents and Other Current Bank Balances of the Company .

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

(Amounts in Rs. millions)

Particulars	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Cash on hand	-	0.58	-	0.81	-	2.35	-	2.35	-	3.45	-	1.42
On current accounts	-	0.68	-	145.63	-	68.04	-	21.15	-	1.66	-	1.21
Cash credit	-	31.10	-	-	-	95.23	-	-	-	-	-	-
Deposits with original maturity for less than 3 months	-	-	-	-	-	-	-	7.50	-	-	-	-
<b>Total</b>	<b>-</b>	<b>32.36</b>	<b>-</b>	<b>146.45</b>	<b>-</b>	<b>165.62</b>	<b>-</b>	<b>31.00</b>	<b>-</b>	<b>5.11</b>	<b>-</b>	<b>2.62</b>

**Changes in liabilities arising from financing activities**

(Amounts in Rs. millions)

Particulars	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Opening balance	169.05	1,514.48	121.04	1,807.58	126.32	2,060.57	231.73	2,058.00	267.72	1,544.96	158.99	1,095.52
Cash flows	(27.32)	629.42	83.77	(275.58)	(8.53)	(239.49)	(113.68)	(3.98)	(47.33)	526.14	46.03	446.55
Foreign exchange management	-	(6.89)	-	(17.52)	1.92	(13.50)	-	6.54	-	(13.09)	-	2.89
Changes in fair values	5.62	-	-35.76	-	1.33	-	8.27	-	11.33	-	62.71	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>147.35</b>	<b>2,137.01</b>	<b>169.05</b>	<b>1,514.48</b>	<b>121.04</b>	<b>1,807.58</b>	<b>126.32</b>	<b>2,060.57</b>	<b>231.73</b>	<b>2,058.00</b>	<b>267.72</b>	<b>1,544.96</b>

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XVIII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF ASSETS HELD FOR SALE:**

(Amounts in Rs. millions)

<b>Particulars</b>	<b>As at 31 December 2017</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
(a) Property, plant and equipment classified as held for sale :						
- Plant and equipment	1.16	-	-	-	-	-
<b>Total</b>						

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>(a) Authorised share capital</b>						
Equity shares of Rs. (each)	10	10	10	10	10	10
Authorised equity shares (No.)	70,00,000	70,00,000	70,00,000	70,00,000	70,00,000	70,00,000
Authorised equity shares capital(Rs. in millions)	70.00	70.00	70.00	70.00	70.00	70.00
Compulsory Convertible Participatory Preference Shares of Rs. (each)	10	10	10	10	10	-
Authorised Compulsory Convertible Participatory Preference Shares (No.)	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000	-
Authorised compulsory convertible preference shares capital (Rs. in millions)	20.00	20.00	20.00	20.00	20.00	-
<b>Total authorised share capital (Rs in millions)</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>70.00</b>

The Board of Directors in their meeting held on May 08, 2018 has proposed and approved increase in the authorised share capital of the Company from 7,000,000 equity shares of Rs 10 each to 43,000,000 equity shares of Rs. 10 each.

<b>(b) Issued, subscribed &amp; paid-up share capital</b>						
Equity shares of Rs.	10	10	10	10	10	10
Equity shares (No.)	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375
a) Subscribed & paid-up equity share capital (Rs. in millions)	61.23	61.23	61.23	61.23	61.23	61.23
Compulsory Convertible Preference Shares of Rs.	10	10	10	10	10	-
Total Compulsory Convertible Preference Shares (No.)	15,30,844	15,30,844	15,30,844	15,30,844	15,30,844	-
b) Subscribed & paid-up Compulsory Convertible Participatory Preference Shares ('CCPPS') (Rs. in millions) *	15.31	15.31	15.31	15.31	15.31	-
<b>Total subscribed &amp; paid-up share capital</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>61.23</b>

Subsequent to 31 December 2017 vide resolution passed by the shareholders in the Extra Ordinary General Meeting held on May 11, 2018 and board of directors in the meeting held on May 14, 2018, the issued, subscribed and paid-up equity share capital of the Company has increased due to issue of bonus shares in the ratio of 3:1 from Rs. 54.56 million comprising of 54,55,695 equity shares of 10 each to Rs. 218.23 million comprising of 2,18,22,780 equity shares of 10 each.

\* The Company vide resolution passed at the shareholders Extraordinary General Meeting dated May 31, 2018 has converted 114,222 of Rs. 10 each compulsorily convertible participatory preference shares held by Global Scrap Processors Limited into 456,888 equity shares of Rs.10 each (fully paid-up) in the ratio of four equity shares for each CCPS held.

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Equity Shares (No.)</b>						
At the beginning of the year/period	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375	61,00,000
Add: Share Issued during the year/period:	-	-	-	-	-	-
Bonus Shares Issued during the year/period {Refer Note h below}	-	-	-	-	-	23,375
<b>Outstanding at the end of the year/period</b>	<b>61,23,375</b>	<b>61,23,375</b>	<b>61,23,375</b>	<b>61,23,375</b>	<b>61,23,375</b>	<b>61,23,375</b>
<b>Compulsory Convertible Participatory Preference Shares ('CCPPS') (No.)</b>						
At the beginning of the year/period	15,30,844	15,30,844	15,30,844	15,30,844	-	-
Issued during the year/period	-	-	-	-	15,30,844	-
<b>Outstanding at the end of the year/period</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>-</b>

(Amounts in millions)

Description	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
<b>Equity Shares</b>						
At the beginning of the year/period	61.23	61.23	61.23	61.23	61.23	61.00
Bonus Shares Issued during the year/period {Refer Note h below}	-	-	-	-	-	0.23
<b>Outstanding at the end of the year/period</b>	<b>61.23</b>	<b>61.23</b>	<b>61.23</b>	<b>61.23</b>	<b>61.23</b>	<b>61.23</b>
<b>Compulsory Convertible Participatory Preference Shares ('CCPPS')</b>						
At the beginning of the year/period	15.31	15.31	15.31	15.31	-	-
Issued during the year/period	-	-	-	-	15.31	-
<b>Outstanding at the end of the year/period</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	<b>-</b>

**(d) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Terms of conversion / redemption of CCPPS

Pursuant to the share purchase agreement dated September 24, 2013, entered into among IFCI Venture Capital Fund Limited, Global Scrap Processors Limited (“GSPL”), Promoters and the Company, GSPL purchased 5,23,375 equity shares at a price of Rs.422.02 per equity share aggregating to Rs.220.87 millions from IFCI Venture Capital Fund Limited, and pursuant to the Investment Agreement, GSPL subscribed to 15,30,844 compulsorily convertible preference shares (“CCPPS”) of face value Rs.10 each, issued at a premium of Rs.381.94 aggregating to Rs. 600.00 millions to the Company. Among other things, GSPL is also entitled to anti-dilution rights, if any future issue of any equity shares is made at a price lower than Rs.422.02 per equity share; and tag-along rights in relation to the equity shares held by GSPL if the Company’s shareholders transfer, in aggregate, more than 5% of the equity shares held by them. CCPPS shareholder is entitled to receive cumulative dividend at the rate of 0.001% per annum. At any time, the holder of CCPPS had the right to convert, at its sole discretion and option, the CCPPS into fully paid up equity shares or as per formula laid down in the Investment Agreement dated 24.09.2013 [“IA”]. These preference shares carry preferential right with respect to the repayment, in the case of winding up or repayment of the capital of the Company. GSPL has right to vote on the resolutions directly affecting the rights attached to its CCPPS shares, any resolution for the winding up of the Parent Company or for the repayment or reduction of its equity or preference share capital. GSPL is entitled to appoint one director on board of the Company and the board of each of the subsidiaries. The quorum of a meeting of the board shall be 1/3rd of its total strength and two directors, whichever is higher, including, GSPL’S nominee Director, present throughout the meeting, unless otherwise agreed with the Investor’s consent. No action or decision relating to any of the reserved matters as mentioned in Investment agreement shall be taken unless GSPL’s consent is obtained for such action or decision. Also, as per clause 17.1 of the IA, the Company had to consummate a QIPO within 54 months from the Completion date. [i.e. before 06th May, 2018 (07th November, 2013 being completion date)], failing which the CCPPS shareholder will have the right to exercise the put option.

Further, the Company, promoters and CCPPS shareholder, entered into a Share Sale and Purchase Agreement, dated January 20, 2018, as amended by an amendment agreement dated May 8, 2018 (together referred to as “SPA Amendment Agreement”). Pursuant to the SPA Amendment Agreement, GSPL agreed to transfer 1,027,110 CCPPS to Grand Metal Recycling Private Limited, one of the promoter Company at a purchase consideration based on an IRR of 18%, which shall be calculated upto the date of receipt of the purchase consideration by GSPL towards sale of shares in case the transfer takes place within 180 days of this agreement. Also, the reference to 54 months in clause 17.1 of the IA shall stand substituted with 63 months (i.e. the Company will have the option to bring QIPO up to 6th February 2019).

CCPPS shareholder (holding 5,23,375 equity shares and 15,30,844 CCPPS on December 31,2017) vide letter dated May 07, 2018 has amended the "Put Option" clause of the Investment Agreement whereby CCPPS shareholder will not exercise the Put Option if the Company files its Draft Red Herring Prospectus (DRHP) with SEBI for IPO on or before April 01, 2019 which the Company is filing in next couple of days. The Company has also obtained a legal opinion on this stating that the amendment letter is legally tenable and any there would not be any sort of put option liability after filing of DRHP. Therefore such obligation of the Company to do the buy back if the filing of DRHP does not happen, is not considered as financial liability as per Ind AS 32 financial instruments - presentation contingent settlement provision since filing of DRHP is regarded as within the control of the Company . Accordingly, the Company has continued to disclose CCPPS and equity shares as equity.

Subsequent to December 31, 2017, vide resolution passed by the shareholders in Extra –Ordinary General Meeting held on May 11, 2018, and board of directors in the meeting held on May14, 2018, the Company has issued bonus shares in the ratio of 3.1 equity shares. GSPL got 1,570,125 equity shares as bonus shares The Company vide resolution passed at the shareholders Extra –ordinary General Meeting dated May 31,2018 has converted 114,222 CCPPS of Rs.10 each held by GSPL into 456,888 equity shares of Rs.10 each fully paid up in the ratio of four equity shares for each CCPPS held. This means that CCPPS shareholder holds 2,550,388 equity shares and 14,16,622 CCPPS as on date .Further, the CCPPS shareholder is also selling upto 25,50,388 equity shares in the proposed IPO of the Company.

(f) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Names	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
<b>Equity shares</b>						
Shri Gauri Shankar Agarwala	6,67,714	6,67,714	6,67,714	6,67,714	6,67,714	6,67,714
Smt. Kalawati Agarwal	3,97,441	3,97,441	3,97,441	3,97,441	3,97,441	3,97,441
Shri Mohan Agarwal	7,88,955	7,88,955	7,88,955	7,88,955	7,88,955	7,88,955
Smt. Pratibha Agarwal	5,34,921	5,34,921	5,34,921	5,34,921	5,34,921	5,34,921
Suvridhi Financial Services Limited	9,12,498	9,12,498	9,12,498	9,12,498	9,12,498	9,12,498
Grand Metal Recycling Private Limited	5,73,520	5,73,520	5,73,520	5,73,520	5,73,520	5,73,520
Sanjivani Non Ferrous Trading Private Limited	6,67,680	6,67,680	6,67,680	6,67,680	6,67,680	6,67,680
Forever Multimedia Private Limited	5,00,760	5,00,760	5,00,760	5,00,760	5,00,760	5,00,760
Ramayana Polymers Private Limited	4,97,336	4,97,336	4,97,336	4,97,336	4,97,336	4,97,336
Indian Automotive Components Manufactures Private Equity Fund-1-Domestic	-	-	-	-	-	5,23,375
Global Scrap Processors Limited	5,23,375	5,23,375	5,23,375	5,23,375	5,23,375	-

**Compulsory Convertible Preference Shares ('CCPS')**

Global Scrap Processors Limited	15,30,844	15,30,844	15,30,844	15,30,844	15,30,844	-
---------------------------------	-----------	-----------	-----------	-----------	-----------	---

Names	% holding in the	% holding in the	% holding in the	% holding in the	% holding in the	% holding in the
<b>Equity shares</b>						
Shri Gauri Shankar Agarwala	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%
Smt. Kalawati Agarwal	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%
Shri Mohan Agarwal	12.88%	12.88%	12.88%	12.88%	12.88%	12.88%
Smt. Pratibha Agarwal	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%
Suvridhi Financial Services Limited	14.90%	14.90%	14.90%	14.90%	14.90%	14.90%
Grand Metal Recycling Private Limited	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%
Sanjivani Non Ferrous Trading Private Limited	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%
Forever Multimedia Private Limited	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
Ramayana Polymers Private Limited	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%
Indian Automotive Components Manufactures Private Equity Fund-1-Domestic	-	-	-	-	-	8.55%
Global Scrap Processors Limited	8.55%	8.55%	8.55%	8.55%	8.55%	-

**Compulsory Convertible Preference Shares ('CCPS')**

Global Scrap Processors Limited	100.00%	100.00%	100.00%	100.00%	100.00%	-
---------------------------------	---------	---------	---------	---------	---------	---

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(g) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

	31st December 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
<b>Equity shares allotted as fully paid bonus shares:</b>	No.	No.	No.	No.	No.	No.
Allotted on 14.05.2011	-	-	23,29,300	23,29,300	23,29,300	23,29,300
Allotted on 03.01.2013 {Refer Note h Below}	23,375	23,375	23,375	23,375	23,375	23,375

(h) 23,375 Bonus equity shares were issued during the financial year 2012-2013 to Indian Automotive Components Manufactures Private Equity Fund -Domestic pursuant to the agreement dated 19th May 2011 for option of redemption of debentures exercised by the Company in the financial year 2011-2012

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
<b>Term loans</b>												
<b>From Banks / financial institution</b>												
Indian rupee loan from a Financial Institution (Secured)	65.04	15.54	76.69	15.54	92.23	7.77	-	8.74	8.74	15.50	28.54	16.20
Indian rupee loan from a bank (Secured)	-	-	-	-	-	-	38.10	28.57	64.29	28.57	111.23	6.72
Vehicle loans from banks (Secured)	2.99	2.43	3.79	2.00	5.79	2.37	8.15	4.42	3.35	5.13	3.80	5.18
<b>Other loans</b>												
Interest Free Indian Rupees Loan from Government of Haryana (Unsecured)	61.35	-	56.75	14.29	12.89	-	11.61	-	10.46	-	9.42	-
Interest Free Indian Rupees Loan from Government of Haryana (Secured)	-	-	-	-	-	-	-	26.74	24.09	71.60	21.70	64.93
	<b>129.38</b>	<b>17.97</b>	<b>137.23</b>	<b>31.83</b>	<b>110.91</b>	<b>10.14</b>	<b>57.86</b>	<b>68.47</b>	<b>110.93</b>	<b>120.80</b>	<b>174.69</b>	<b>93.03</b>
<b>The above amount includes</b>												
Secured borrowings	68.03	17.97	80.48	17.54	98.02	10.14	46.25	68.47	100.47	120.80	165.27	93.03
Unsecured borrowings	61.35	-	56.75	14.29	12.89	-	11.61	-	10.46	-	9.42	-
Amount disclosed under the head "other financial liabilities" (refer Annexure XXII)	-	(17.97)	-	(31.83)	-	(10.14)	-	(68.47)	-	(120.80)	-	(93.03)
<b>Net amount</b>	<b>129.38</b>	<b>-</b>	<b>137.23</b>	<b>-</b>	<b>110.91</b>	<b>-</b>	<b>57.86</b>	<b>-</b>	<b>110.93</b>	<b>-</b>	<b>174.69</b>	<b>-</b>

**Notes:****(1) Details of borrowings and Unamortised Interest cost:-**

Interest Free Indian Rupees Loan from Government of Haryana	93.91	-	93.91	15.30	15.30	-	15.30	26.79	42.09	71.60	42.09	71.60
Less: Unamortised Interest Cost	(32.56)	-	(37.16)	(1.01)	(2.41)	-	(3.69)	(0.05)	(7.54)	-	(10.97)	(6.67)
<b>Carrying value of Interest Free Indian Rupees Loan from Government of Haryana</b>	<b>61.35</b>	<b>-</b>	<b>56.75</b>	<b>14.29</b>	<b>12.89</b>	<b>-</b>	<b>11.61</b>	<b>26.74</b>	<b>34.55</b>	<b>71.60</b>	<b>31.12</b>	<b>64.93</b>



2. The maturity profile, security and rate of interest of the above loans as at December 31, 2017 are as given below:

Lender	Nature of Facility	Loan Currency	Amount outstanding as at December 31, 2017 (Rs. in millions)	Rate of Interest during the period ended December 31, 2017	Repayment terms	Security/Principal terms and Conditions
SIDBI	Indian rupee term loan	INR	80.58	10.40%	77 monthly equated instalments of Rs.1.30 millions starting from Oct 2016 and last instalment of Rs. 0.29 millions	Loan is secured by first charge by way of equitable mortgage in favour of SIDBI of all the lease hold rights in the immovable properties, both present and future at Haridwar unit and first charge by way of hypothecation of all the movable assets except vehicles specifically hypothecated against vehicle loans, such as plant and machinery, equipments, spares, tools, miscellaneous fixed assets, utilities and ancillary equipments etc. save and except stock and book debts, acquired or to be acquired at Haridwar and Gurgaon unit. The above is collaterally secured by extension of first charge by way of hypothecation on all movable fixed assets, present and future of Haridwar unit of the Company. Further, this loan is personally guaranteed by the promoter directors, Shri Gauri Shankar Agarwala and Shri Mohan Agarwal.
ICICI bank	Vehicle Loans	INR	4.31	10.20%	32 equated monthly instalments of Rs.0.21 millions	Vehicle Loans are secured by way of first charge over specific vehicle and the same are repayable as per terms of agreement.
HDFC bank	Vehicle Loans	INR	1.11	10.00% to	LCV loans with EMI of Rs. .03 millions.	Vehicle Loans are secured by way of first charge over specific vehicle and the same are repayable as per terms of agreement.
Government of Haryana (Interest free loan)	Term Loan from Government of Haryana	INR	93.91	Interest free loan	Payable immediately after 5 years from the date of disbursement i.e. Jan'17 and Mar'17.	The Company has furnished bank guarantees of Rs. 109.21 millions to Government of Haryana.

**Notes :-**

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF TRADE PAYABLES**  
**(at amortised cost)**

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Trade payables (including acceptances)</b>												
Dues to micro enterprises and small enterprises (refer note 7 of Annexure XXXIV for details of dues to micro and small enterprises)	-	0.70	-	1.92	-	0.04	-	-	-	-	-	-
Dues to others												
- Related party (Refer Annexure XL)	-	-	-	-	-	-	-	-	-	0.29	-	0.05
- Others	-	435.09	-	184.45	-	514.06	-	479.00	-	427.17	-	357.06
	-	<b>435.79</b>	-	<b>186.37</b>	-	<b>514.10</b>	-	<b>479.00</b>	-	<b>427.46</b>	-	<b>357.11</b>

**Terms and conditions of the above financial liabilities:**

- Trade payables are non-interest bearing and are normally settled on 0-60 days terms
- For terms and conditions with related parties, Refer Annexure XL
- For explanations on the Company's credit risk management processes, refer note 4 of Annexure XLI

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER FINANCIAL LIABILITIES

(Amounts in Rs. millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>												
Derivative liability	-	0.48	-	9.78	-	17.25	-	1.35	-	9.75	-	-
<b>Other financial liabilities at amortised cost</b>												
Current maturities of long term borrowings (refer Annexure XX)	-	17.97	-	31.83	-	10.14	-	68.47	-	120.80	-	93.03
Interest accrued and due on borrowings	-	1.17	-	2.53	-	5.69	-	2.95	-	-	-	-
Interest accrued but not due on borrowings	-	5.02	-	1.58	-	1.29	-	0.75	-	0.91	-	1.07
Other interest payable								0.27				
Security deposits form customers/ others	1.42	12.57	1.07	14.50	1.22	12.10	2.14	2.10	1.82	2.37	2.12	-
Employee related liabilities	-											
- Related parties (Refer Annexure XL)		1.45		1.04		1.30		0.84		0.96		0.99
- Others		16.58	-	15.33	-	15.85	-	14.22	-	10.03	-	10.86
Financial guarantee #	-	8.28	-	9.83		12.82	-	16.27	-	11.42	-	-
Payable for capital goods *	-	6.17	-	3.99	-	9.74	-	10.78	-	18.88	-	2.39
	<b>1.42</b>	<b>69.69</b>	<b>1.07</b>	<b>90.42</b>	<b>1.22</b>	<b>86.18</b>	<b>2.14</b>	<b>117.98</b>	<b>1.82</b>	<b>175.13</b>	<b>2.12</b>	<b>108.34</b>
* outstanding dues to micro and small enterprises.	-	-	-	-	-	4.20	-	-	-	-	-	-

#The Company has provided financial guarantees in respect of credit facilities availed by its subsidiaries namely CMR Nikkie India Private Limited and CMR Toyotsu Aluminium India Private Limited as follows :

(Amounts in Rs. millions)

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Guarantee given to State Bank of India Nehru Place , Delhi on behalf of						
-CMR Nikkie India Private Limited	451.10	609.60	668.30	663.00	548.00	-
-CMR Toyotsu Aluminium India Private Limited	550.90	550.90	639.70	617.00	617.00	-
	<b>1,002.00</b>	<b>1,160.50</b>	<b>1,308.00</b>	<b>1,280.00</b>	<b>1,165.00</b>	<b>-</b>
Guarantee given to Hero FinCorp Limited, Vasant Vihar, New Delhi on behalf of						
-CMR Nikkie India Private Limited	-	-	-	250.00	-	-
-CMR Toyotsu Aluminium India Private Limited	-	-	-	130.00	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>380.00</b>	<b>-</b>	<b>-</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Advance from customers												
- Related party (Refer Annexure XL)		204.64										
- Others	-	8.34	-	9.14	-	10.31	-	11.89	-	9.48	-	2.32
Taxes and other statutory dues	-	19.45	-	44.72	-	24.48	-	40.02	-	16.20	-	23.68
Interest on Income tax	-	4.51	-	3.88	-	-	-	-	-	-	-	1.43
Deferred government grant	23.51	7.64	29.24	8.45	0.82	1.24	2.06	1.90	3.35	6.93	6.77	9.84
Unearned interest income	-	1.06	-	-	-	-	-	-	-	-	-	-
	<b>23.51</b>	<b>245.64</b>	<b>29.24</b>	<b>66.19</b>	<b>0.82</b>	<b>36.03</b>	<b>2.06</b>	<b>53.81</b>	<b>3.35</b>	<b>32.60</b>	<b>6.77</b>	<b>37.27</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

## Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

## Annexure XXIV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF PROVISIONS

(Amounts in Rs. millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Long-term provisions</b>						
<b>Provision for employee benefits</b>						
Provision for Gratuity [Refer Note 1 of Annexure XLI]	19.99	17.46	11.42	11.60	9.72	7.57
Provision for Leave encashment						
	<b>19.99</b>	<b>17.46</b>	<b>11.42</b>	<b>11.60</b>	<b>9.72</b>	<b>7.57</b>
<b>Short-term provisions</b>						
<b>Provision for employee benefits</b>						
Provision for Gratuity [Refer Note 1 of Annexure XLI]	1.32	1.11	1.77	0.21	0.19	1.82
Provision for Leave encashment	26.55	23.00	18.68	20.37	14.16	11.95
<b>Other provisions</b>						
Provision for Wealth tax	-	-	-	-	-	0.11
	<b>27.87</b>	<b>24.11</b>	<b>20.45</b>	<b>20.58</b>	<b>14.35</b>	<b>13.88</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited

## Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

## Annexure XXV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF CURRENT BORROWINGS

(Amounts in Rs millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>From Banks</b>						
a. Cash credit (Secured)	342.09	85.16	33.24	751.69	813.79	217.52
b. Working capital demand loans (Secured)	200.00	300.00	690.00	-	-	230.00
c. Buyers credit (secured)	625.90	521.89	683.37	802.03	728.95	657.84
d. Foreign currency loan (Secured)	-	-	56.73	31.92	45.68	5.21
e. Vendor financing (Secured)	188.55	126.56	-	-	-	-
f. Bill discounting (Secured)	242.27	222.27	240.37	353.63	297.41	223.32
g. Bill discounting (Unsecured)	538.20	258.60	103.87	121.30	172.17	193.16
<b>From others</b>						
a.From related parties (unsecured)	-	-	-	-	-	17.91
	<b>2,137.01</b>	<b>1,514.48</b>	<b>1,807.58</b>	<b>2,060.57</b>	<b>2,058.00</b>	<b>1,544.96</b>
<b>The above amount includes:</b>						
Secured borrowings	<b>1,598.81</b>	<b>1,255.88</b>	<b>1,703.71</b>	<b>1,939.27</b>	<b>1,885.83</b>	<b>1,333.89</b>
Unsecured borrowings	<b>538.20</b>	<b>258.60</b>	<b>103.87</b>	<b>121.30</b>	<b>172.17</b>	<b>211.07</b>
	<b>2,137.01</b>	<b>1,514.48</b>	<b>1,807.58</b>	<b>2,060.57</b>	<b>2,058.00</b>	<b>1,544.96</b>

The security and rate of interest of the current loans at at December 31, 2017 are as given below:-

Lender	Nature of Facility	Loan Currency	Amount outstanding as at December 31, 2017 (Rs. In millions)	Rate of Interest during the year	Repayment terms	Security/Principal terms and Conditions
HDFC Bank	Cash credit (secured)	INR	78.36	9.50% to 10.10%	Repayable on demand	Refer Note a below
State Bank Of India	Cash credit (secured)	INR	232.04	10.15% to 10.40%	Repayable on demand	Refer Note a below
Axis Bank	Cash credit (secured)	INR	31.69	9.75%	Repayable on demand	Refer Note a below
HDFC Bank	Working capital demand loans- Indian Rupees (secured)	INR	100.00	8.80%	For a period not exceeding 3 months from drawdown date	Refer Note a below
State Bank Of India	Working capital demand loans- Indian Rupees (secured)	INR	100.00	9.25% to 10.00%	For a period not exceeding 3 months from drawdown date	Refer Note a below
HDFC Bank	Buyer's Credit (Secured)	INR	388.47	1.1944 % to 2.1700 %	For a period not exceeding 6 months from drawdown date	Refer Note a below
Axis Bank	Buyer's Credit (Secured)	INR	237.44	1.6812 % to 1.7640 %	For a period not exceeding 3 months from drawdown date	Refer Note a below
HDFC Bank	Bill discounting from banks ( secured )	INR	242.27	8.50% to 9.50%	For a period not exceeding 3 months from drawdown date	Refer Note a below
China trust Commercial Bank	Bill discounting from banks ( unsecured )	INR	121.96	7.95% to 9.06%	For a period not exceeding 3 months from drawdown date	Refer Note b below
Axis Bank	Bill discounting from banks ( unsecured )	INR	278.71	8.55%	For a period not exceeding 3 months from drawdown date	Unsecured

Shinhan Bank	Bill discounting from banks ( unsecured )	INR	137.53	7.60%	For a period not exceeding 3 months from drawdown date	Unsecured
State Bank Of India	Vendor Financing (secured)	INR	188.55	8.30%	For a period not exceeding 3 months from drawdown date	Refer Note a below

**Notes :**

a. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all the current assets of the Company including all type of stocks lying in their factories, godowns, elsewhere (including GIT) and Company's book debts (present and future). It is further secured by way of second pari-passu charge with other working capital lenders under consortium on fixed assets (present and future) at Tatarpur, Haridwar, Bhiwadi, Gurgaon, Manesar and Pune plants except vehicles specifically hypothecated against vehicle loans and assets charged to SIDBI. It is further secured by way of equitable mortgage under first pari passu charge of the property at Millennium Plaza Limited, 001B and 001C, Tower "A" Ground Floor, Sector 27, Gurgaon owned by Shri Gauri Shankar Agarwala and Shri Mohan Agarwal, promoter directors . Equitable mortgage under first pari passu charge also provided of property owned by Shri Mohan Agarwal at Nav Shakti Co-operative Group Housing Society B-43, Plot No.5, Sector - 9, Rohini, New Delhi. Further, personal guarantee is also given by Shri Gauri Shankar Agarwala and Shri Mohan Agarwal, promoter directors of the Company.

b, Personal guarantee is given by Shri Mohan Agarwal, promoter director of the Company.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXVI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Revenue from operations (including excise duty)</b>						
Sale of products						
Manufactured goods	10,012.37	12,672.71	13,110.57	13,775.11	13,390.13	12,898.18
Traded products	1,183.47	1,321.70	197.15	546.55	36.97	30.61
<b>Other operating revenues</b>						
Sale of services *	58.81	171.08	98.11	58.94	19.26	23.71
Sale of Scrap and Others**	1,412.09	1,470.52	1,379.60	1,874.86	987.24	708.81
Export Incentive	-	-	0.77	4.47	1.24	-
<b>Revenue from operations</b>	<b>12,666.74</b>	<b>15,636.01</b>	<b>14,786.20</b>	<b>16,259.93</b>	<b>14,434.84</b>	<b>13,661.31</b>

\*Sale of services is in the nature of job works executed.

\*\* Sale of scrap & other is in the nature of segregated scrap, ash and residue sales.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI



**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXVII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER INCOME**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)	Recurring / Non recurring Income	Related / Not related to business
Interest on deposits	5.14	8.15	9.67	9.60	7.39	5.84	Recurring	Not Related
Interest from related parties (Refer Annexure XL)	7.77	14.85	37.20	-	4.28	-	Non Recurring	Not Related
Interest income on income tax refunds	3.94	-	-	-	-	0.20	Non Recurring	Not Related
Interest on receivables and others	4.93	8.63	3.73	19.91	28.58	14.05	Non Recurring	Not Related
Rental income	0.43	0.09	0.06	0.08	0.08	-	Recurring	Not Related
Profit on sale of non current investments in a subsidiary	-	-	-	0.01	-	-	Non Recurring	Not Related
Corporate guarantee commission	4.78	4.79	6.94	2.63	5.55	-	Recurring	Not Related
Procurement Commission	26.71	32.51	31.01	6.92	-	-	Recurring	Related
Technical assistance fees	-	-	1.47	0.97	-	-	Non Recurring	Not Related
Sales commission	-	-	5.51	4.41	-	-	Non Recurring	Not Related
Sundry balances written back (net)	-	-	-	-	0.97	-	Non Recurring	Related
	9.83	12.82	16.27	11.42	-	-	Non Recurring	Not Related
Income on account of financial guarantee								
Subsidy from Commercial Tax Department	7.52	14.80	7.25	0.82	5.99	2.24	Recurring	Related
Gain in foreign exchange fluctuations (net)	9.68	11.58	-	-	-	-	Non Recurring	Related
Premium received on conversion of preference share of investment into equity investments	-	-	12.75	-	-	-	Non Recurring	Non Related
Amortisation of deferred government grant	6.54	2.55	1.29	3.42	8.88	8.43	Non Recurring	Non Related
Reversal of provision for diminution in value of investments	-	-	-	-	0.00	-	Non Recurring	Non Related
Profit on Disposal of Property, plant & equipments and Intangibles	0.14	-	-	-	-	-	Non Recurring	Non Related
Sales tax refund	-	-	-	-	3.49	-	Non Recurring	Related
Other non operating income	0.09	-	-	0.11	0.10	0.16	Non Recurring	Non Related
	<b>87.50</b>	<b>110.77</b>	<b>133.15</b>	<b>60.30</b>	<b>65.31</b>	<b>30.92</b>		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXVIII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF COST OF RAW MATERIALS CONSUMED**

(Amounts in Rs. millions)

<b>Particulars</b>	<b>For the period ended 31 December 2017</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016 (Proforma)</b>	<b>For the year ended 31 March 2015 (Proforma)</b>	<b>For the year ended 31 March 2014 (Proforma)</b>	<b>For the year ended 31 March 2013 (Proforma)</b>
Inventory at the beginning of the period / year	746.70	407.91	723.32	795.56	664.31	198.90
Add : Purchases during the period / year	10,452.92	11,452.45	11,614.62	12,929.73	11,961.68	11,429.64
Less: Inventory at the end of the period / year	1,650.52	746.70	407.91	723.32	795.56	664.31
<b>Cost of raw materials consumed</b>	<b>9,549.10</b>	<b>11,113.66</b>	<b>11,930.03</b>	<b>13,001.97</b>	<b>11,830.43</b>	<b>10,964.23</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement

Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXIX: RESTATED IND AS UNCONSOLIDATED STATEMENT OF CHANGE IN INVENTORIES OF FINISHED GOODS

(Amounts in Rs. millions)						
Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Inventory at the end of the period / year</b>						
Finished goods	132.39	87.72	33.58	209.89	116.63	118.34
<b>Inventory at the beginning of the period / year</b>						
Finished goods	87.72	33.58	209.89	116.63	118.34	45.07
<b>Inventory acquired pursuant to acquisition of subsidiary</b>						
<b>(Increase)/decrease in inventories</b>						
Finished goods	(44.67)	(54.14)	176.31	(93.26)	1.71	(73.27)

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXX: RESTATED IND AS UNCONSOLIDATED STATEMENT OF PURCHASE OF TRADED GOODS**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Purchase of traded goods	1,125.16	1,138.03	188.02	473.91	33.96	29.23
	<b>1,125.16</b>	<b>1,138.03</b>	<b>188.02</b>	<b>473.91</b>	<b>33.96</b>	<b>29.23</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement

Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXXI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Salaries, wages and bonus	263.16	292.67	302.51	304.87	274.00	265.21
Contribution to provident and other funds	8.92	10.51	9.94	10.62	9.47	9.90
Gratuity expense (refer note 1 in Annexure XLI)	3.89	4.24	3.41	3.23	2.83	2.70
Staff welfare expenses	10.27	13.78	14.54	14.47	13.77	10.90
	<b>286.24</b>	<b>321.20</b>	<b>330.40</b>	<b>333.19</b>	<b>300.07</b>	<b>288.71</b>

Disclosure in compliance with Ind AS-19 on Employment Benefits has been given in Annexure Note 1 of Annexure XLI

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement

Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXXII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF FINANCE COSTS**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Interest expense*						
on borrowings	116.91	204.24	233.87	262.76	231.43	237.04
Exchange difference to the extent considered as an adjustment to borrowing cost	13.53	17.81	61.84	44.50	43.07	17.04
Other borrowing costs	9.06	10.52	17.11	14.66	10.77	11.39
	<b>139.50</b>	<b>232.57</b>	<b>312.82</b>	<b>321.92</b>	<b>285.27</b>	<b>265.47</b>
* including interest on income tax (in millions)	6.12	3.96	0.00	0.05	-	1.43

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXXIII: RESTATED IND AS UNCONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Depreciation on Property, plant & equipments	73.66	99.42	102.59	107.56	64.07	53.35
Amortisation of intangible assets	3.29	4.66	1.88	1.30	1.15	0.90
	<b>76.95</b>	<b>104.08</b>	<b>104.47</b>	<b>108.86</b>	<b>65.22</b>	<b>54.25</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement

Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXXIV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF OTHER EXPENSES

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Consumption of stores and spares	39.85	40.29	41.92	53.17	48.26	54.77
Consumption of packaging materials	3.26	4.23	4.21	4.97	4.40	4.55
Power and fuel	272.16	299.49	278.30	438.05	486.61	467.80
Bank charges	7.35	4.25	4.40	4.35	7.90	7.80
Repairs and maintenance :	-	-	-	-	-	-
Plant & equipment	46.90	51.21	45.80	42.74	33.54	28.46
Buildings	6.53	9.20	8.91	5.78	5.76	7.06
Others	7.02	6.89	2.40	2.27	1.86	0.99
Printing and stationery	1.08	1.52	1.97	1.92	2.02	1.82
Rent Paid	36.46	46.16	40.15	35.20	27.55	21.28
Insurance charges	3.10	4.77	5.15	4.52	3.70	1.97
Rates and taxes	1.65	1.62	1.30	1.74	4.13	1.94
Advertisement, publicity and sales promotion	4.32	3.14	0.87	2.92	2.90	2.78
Travelling and conveyance expenses	11.33	10.44	10.79	12.05	12.25	9.34
Vehicle running and maintenance	5.58	4.58	3.31	4.19	2.95	4.57
Freight and cartage outward	20.12	22.56	22.41	24.72	29.45	33.25
Communication expenses	1.82	3.05	4.09	4.52	3.27	2.54
Payment to statutory auditors (Refer details below)	2.18	2.95	2.68	2.73	0.84	0.47
Legal and professional expenses	16.05	17.94	14.97	12.55	12.98	8.41
Loss on Disposal of property, plant & equipments and Intangibles (net)	-	10.42	5.13	1.27	1.67	1.06
Charity and donation	0.15	0.02	0.15	0.29	0.26	0.98
Security service expenses	5.61	7.56	8.52	8.14	7.66	7.13
Dross melting expenses	18.73	20.90	20.73	21.37	23.27	20.28
Dross processing expenses	3.08	4.16	3.07	5.17	4.93	5.31
Excise duty on (decrease)/increase in inventory	(8.19)	4.97	(16.12)	11.83	(0.31)	4.33
Directors Sitting Fees	0.60	0.61	0.60	0.40	-	0.02
Loss in foreign exchange fluctuations (net)	-	-	5.38	(0.96)	60.79	14.68
Bad Debts/ advances/Insurance claims receivable written off (net)	0.11	2.14	1.10	0.62	-	6.11
Pre-operative expenses/ CWIP written off	-	-	-	8.13	-	-
Allowances for bad and doubtful receivable	-	-	-	16.65	6.66	6.65
Miscellaneous Expenses	9.91	10.00	8.79	7.83	9.79	8.98
	<b>516.76</b>	<b>595.07</b>	<b>530.98</b>	<b>739.13</b>	<b>805.09</b>	<b>735.33</b>



**Payment to Statutory Auditors**

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
As auditor:						
Audit fees	1.98	2.40	2.40	1.90	0.35	0.35
Tax audit fees	-	-	-	0.50	0.10	0.10
<b>In other capacity</b>						
Other services	0.03	0.03	0.03	0.30	0.35	-
Reimbursement of expenses	0.17	0.52	0.25	0.03	0.04	0.02
	<b>2.18</b>	<b>2.95</b>	<b>2.68</b>	<b>2.73</b>	<b>0.84</b>	<b>0.47</b>

The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company.

The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XXXV: RESTATED IND AS UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	For the period ended 31 December 2017		For the year ended 31 March 2017		For the year ended 31 March 2016 (Proforma)		For the year ended 31 March 2015 (Proforma)		For the year ended 31 March 2014 (Proforma)		For the year ended 31 March 2013 (Proforma)	
	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus
<b>A</b> Restated Net Worth (Rs. in millions)	3,261.43	3,261.43	2,742.88	2,742.88	2,119.95	2,119.95	2,048.47	2,048.47	2,000.81	2,000.81	1,358.83	1,358.83
<b>B</b> Restated Net profit after tax attributable to equity shareholders (Rs. in millions)	518.06	518.06	624.07	624.07	98.60	98.60	47.43	47.43	46.26	46.26	295.39	295.39
<b>Weighted average number of equity shares outstanding during the period/year</b>												
<b>C</b> For basic earnings per share	61,23,375	2,44,93,500	61,23,375	2,44,93,500	61,23,375	2,44,93,500	61,23,375	2,44,93,500	61,23,375	2,44,93,500	61,05,636	2,44,22,544
<b>D</b> For diluted earnings per share	76,54,219	2,60,24,344	76,54,219	2,60,24,344	76,54,219	2,60,24,344	76,54,219	2,60,24,344	67,31,519	2,51,01,644	61,05,636	2,44,22,544
<b>E</b> Number of shares outstanding at the end of the period/year	76,54,219	2,60,24,344	76,54,219	2,60,24,344	76,54,219	2,60,24,344	76,54,219	2,60,24,344	76,54,219	2,60,24,344	61,23,375	2,44,93,500
<b>F</b> Restated basic earnings per share (B/C)	84.60 *	21.15 *	101.92	25.48	16.10	4.03	7.75	1.94	7.56	1.89	48.38	12.09
<b>G</b> Restated diluted earnings per share (B/D)	67.68 *	19.91 *	81.53	23.98	12.88	3.79	6.20	1.82	6.87	1.84	48.38	12.09
<b>H</b> Return on net worth (%) (B/A)	15.88%	15.88%	22.75%	22.75%	4.65%	4.65%	2.32%	2.32%	2.31%	2.31%	21.74%	21.74%
<b>I</b> Net assets value per equity share (A/E)	426.10	125.32	358.35	105.40	276.96	81.46	267.63	78.71	261.40	76.88	221.91	55.48

\* Not annualised

**Notes:**

- The figures above disclosed are based on the restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI
- The ratio has been computed as below:

$$\text{Basic earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

$$\text{Diluted earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the period/year\#}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Restated Net profit after tax}}{\text{Restated Net Worth}}$$

$$\text{Net assets value per share (Rs.)} = \frac{\text{Restated Net Worth}}{\text{Number of equity shares as at the period/year end}}$$

- Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning per share.
- The Company has issued bonus shares in the ratio of 3:1 on 14th may, 2018. Accordingly increased share capital has been considered for computing EPS and Net Assets value per equity share.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XXXVI: RESTATED IND AS UNCONSOLIDATED STATEMENT OF TAX SHELTER

(Amounts in Rs. millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Accounting profit before income tax (including items of OCI)	738.40	874.14	114.95	48.12	60.64	333.44
Tax rate - statutory rate (B)	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
Tax as per actual rate on profits (C = A*B)	255.55	302.52	39.78	16.36	20.61	108.19
Adjustments:						
<b>Permanent differences</b>						
Difference in tax expense on account of change in tax rate	-	-	(2.59)	13.77	-	-
Interest on income tax.	6.12	3.96	-	-	-	-
Adjustment of deferred tax on doubtful debts	-	-	-	-	-	-
Profit exempt from tax	(109.74)	(153.26)	(64.07)	(63.58)	(14.86)	(225.96)
Others	(0.31)	2.75	(3.55)	2.65	(8.86)	4.24
<b>Total Permanent differences (D)</b>	<b>(103.93)</b>	<b>(146.55)</b>	<b>(70.21)</b>	<b>(47.16)</b>	<b>(23.72)</b>	<b>(221.72)</b>
<b>Timing difference</b>						
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	17.19	20.41	(0.68)	(17.04)	(28.48)	(40.94)
Deferred government grant related to EPCG	-	-	(0.88)	(4.47)	(1.24)	-
Fair valuation of interest free loan	(0.93)	(0.13)	0.04	0.38	1.13	0.50
Provision for Gratuity, Leave encashment and Bonus	(4.52)	10.28	(5.66)	31.32	(2.74)	6.24
Provision for doubtful debts	(0.00)	3.99	12.89	0.00	6.96	6.65
Derivative instruments - Forward Contracts	(1.35)	(1.17)	1.00	(0.34)	0.88	-
MAT credit Entitlement	(90.42)	(216.21)	3.07	38.77	35.46	113.85
Items of Section 40 a	-	(1.57)	2.15	-	-	-
Other Comprehensive Income	0.76	(1.73)	0.86	0.34	1.89	1.71
Others	-	-	(0.02)	0.05	(0.16)	0.30
<b>Total Timing difference (E)</b>	<b>(79.27)</b>	<b>(186.13)</b>	<b>12.77</b>	<b>49.01</b>	<b>13.70</b>	<b>88.31</b>
Total adjustments (F = D+E)	(183.20)	(332.68)	(57.44)	1.86	(10.01)	(133.41)
Tax on adjustments (G=F*B)	(63.40)	(115.13)	(19.88)	0.63	(3.40)	(43.28)
Current Tax (H)	<b>192.15</b>	<b>187.39</b>	<b>19.90</b>	<b>16.99</b>	<b>17.21</b>	<b>64.91</b>
<b>Tax for the year/period</b>	<b>192.15</b>	<b>187.39</b>	<b>19.90</b>	<b>16.99</b>	<b>17.21</b>	<b>64.91</b>
MAT Credit utilisation/(entitlement)	31.29	74.83	(1.06)	(13.18)	(12.05)	(36.94)
Deferred tax (credit) / charge for the year	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
<b>Total Tax</b>	<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>
<b>As per restated financials</b>						
Current Tax	223.43	262.22	19.91	17.00	14.54	64.90
MAT Credit	-	-	(1.06)	(13.18)	(9.39)	(36.94)
Deferred Tax	(3.85)	(10.42)	(3.36)	(3.47)	7.34	8.38
<b>Total as per restated financial</b>	<b>219.58</b>	<b>251.80</b>	<b>15.49</b>	<b>0.35</b>	<b>12.49</b>	<b>36.34</b>

Notes:

- The aforesaid statement of Tax Shelter has been prepared as per the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.
- The aforesaid statement of Tax Shelter should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements- Annexure VI.
- The permanent and timing differences for the nine months period ended 31 December 2017 and for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 have been computed based on the tax computations of Income-tax returns/ assessment completed of the respective years.
- Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXXVII: CAPITALISATION STATEMENT AS AT DECEMBER 31, 2017**

Particulars	(Amounts in Rs. millions)	
	Pre Issue As at 31 December 2017	Post issue as at *
<b>Borrowings :</b>		
Short Term	2,137.01	
Long Term (A) **	147.35	
Total Borrowing (B)	2,284.36	
<b>Restated Shareholders' Fund</b>		
Share Capital	76.54	
Restated Reserves and surplus	3,184.89	
Restated Total Shareholders' Fund (C)	3,261.43	
Long term Borrowings / Equity Ratio (A/C)	4.52%	
Total Borrowings / Equity Ratio (B/C)	70.04%	

\* The Post issue Share capital, Reserves & Surplus and debt equity ratio can be calculated only on the conclusion of Initial Public offer (IPO)

\*\* including Rs.17.97 millions maturing in next year.

Notes:

1. The long term borrowings / equity ratio has been computed as under:  
Long term borrowings / total shareholders' Funds
2. The total borrowings / equity ratio has been computed as under:  
Total borrowings / total shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.
5. Subsequent to 31 December 2017, the issued, subscribed and paid-up equity share capital of the Company has increased due to issue of bonus shares in the ratio of 3:1 from 61.23 million comprising of 61,23,375 equity shares of 10 each to 244.94 million comprising of 2,44,93,500 equity shares of 10 each.
6. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of assets and liabilities of the Company.

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XXXVIII**

**Notes to Restated Ind AS Unconsolidated Statement of Leases**

**A. Operating lease : Company as lessee**

The Company has taken various factory premises, office premises and plant and machinery under operating lease agreements for period ranging from 1-10 years.

The Company has paid following amounts towards minimum lease payment :

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Operating Lease Payments	36.46	46.16	40.15	35.20	27.55	21.28

**Future minimum rentals payable under non-cancellable operating leases .**

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Within one year	-	-	13.16	14.08	12.24	20.71
After one year but not more than five years	-	-	13.16	14.08	28.15	42.79
More than five years	-	-	-	-	-	-
	-	-	26.32	28.16	40.39	63.50

**B. Operating lease : Company as lessor**

The Company has entered into operating leases on its investment property being freehold land. These leases are for nine years from 8th December, 2017. The leases include a clause to enable upward revision of the rental charge after each three years period as per the terms defined in the agreements. The lessee has a right to terminate the lease by serving six months notice period but after a lock-in-period of first three years i.e. upto 07th December, 2020.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Within one year	4.80	-	-	-	-	-
After one year but not more than five years	9.29	-	-	-	-	-
More than five years	-	-	-	-	-	-
	14.09	-	-	-	-	-

**C. Lease Rental Income**

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Lease rental income recognized in the statement of Profit and loss	0.43	0.09	0.06	0.08	0.08	-

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
ANNEXURE XXXIX  
Notes to Restated Ind AS Unconsolidated Statement of Capital Commitments & Contingencies

A. Capital and other commitments

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Estimated amount of contracts (net of advances) remaining to be executed on Capital Account and not provided for.	23.36	28.30	41.17	40.34	5.89	17.12
<b>Pending Capital Contribution in following subsidiaries:</b>						
CMR Nikkie India Private Limited (Subsidiary)	-	-	-	-	-	34.00
CMR Toyota Aluminium India Private Limited (Subsidiary)	-	-	-	-	-	49.86

B. Contingent Liabilities

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>i) Under Customs Act, 1962</b>						
- The Customs Authorities have been increasing the value of imported aluminium scrap for the purpose of levy of duty of Customs thereon against the Company. The Company has paid excess Customs duty for clearing of such consignments and have filed appeal before the Commissioner of Customs Appeal against such value enhancement with consequential relief of refund of excess duty. On rejection of the appeal by the Commissioner of Customs Appeal, the Company has filed further appeal before CESTAT. The excess customs duty paid by the Company amounting to Rs. 59.85 million (December 31, 2017).	59.85	21.26	1.81	-	-	-
- Other demands under appeals	5.43	5.43	5.43	5.43	5.43	4.63
<b>ii) Demands raised under Central Excise Act, 1944</b>						
- Demand raised by Commissioner of Central Excise, Alwar disallowing CENVAT credit to the extent of Rs. 152.09 million (including penalty) on the ground that the Company has unauthorizedly taken Cenvat credit on imported aluminium scrap for the period from 1/10/2015 to 30/6/2017 against challans issued by Dadri Division of the Company which is not a proper document for taking Cenvat credit. The Company has filed an appeal against the said order which is pending before CESTAT, New Delhi. Since the earlier demand on the same basis has been set aside by CESTAT, the present demand is also liable to be set-aside. However, as of now, it can be said that there is a contingent liability of Rs. 152.09 million against the Company, since the Commissioner's order has not been set aside. The matter is fixed for final hearing before CESTAT on 20/6/2018.	152.09	-	-	-	-	-
- Demand raised by Commissioner of Central Excise, Alwar disallowing CENVAT credit for the period 13.11.2014 to 30.09.2015 (including penalty) on the ground that Cenvat credit on imported aluminium scrap has been taken on the basis of Excise challans issued by the Dadri Division of the Company, are not valid documents for taking Cenvat credit. Further, demand for the period from 2012-13 to 31 July 2015 was raised on the ground that sales of segregated items from aluminium scrap are liable for reversal of Cenvat credit. The Company filed an appeal before the CESTAT, New Delhi and against the said order. CESTAT vide order dated 23/11/2017 set aside the order passed by the Commissioner Central Excise, Alwar and remanded back the case to the Commissioner of Central Excise, Alwar with a direction to allow Cenvat Credit after verification that the goods have been received in the factory of the Company at Bhiwadi and also to reconsider the reversal of Cenvat credit on sales of segregated items on the basis of circular issued by CBEC clarifying that segregation of unusable items from brass scrap amounts to manufacture and the sale of such segregated items is liable to be taxed on the basis of sale value thereof at the rate of duty applicable on the items sold. The Commissioner of Central Excise, Alwar has yet to pass a revised order. As of now, the demand raised by the Commissioner of Central Excise, Alwar against the Company stands set aside.	181.21	181.21	85.61	-	-	-
- Demand (including penalty) for the period from August 01, 2015 to June, 2017 was raised on account of non reversal of Cenvat credit on sales of segregated items on the ground that segregated items from aluminium scrap are unsuitable for the manufacture of their finished goods i.e., Aluminium Ingot or molten and does not constitute a manufacturing activity.	33.03	-	-	-	-	-
The Company is in the process of filing appeal.						
- Demands (including) raised based on a special audit of the Company on account of:	29.05	29.05	16.28	-	-	-
(a) Non-payment / short payment of service tax on services received by the Company under reverse charge						
(b) Non-payment / short payment of service tax on services provided by the Company						
(c) Non reversal of CENVAT Credit on input removal as such and on capital goods sold after use.						
(d) Wrong availment of CENVAT Credit of central excise duty on ineligible inputs and input services.						
The Company has filed an appeal.						
- Demand (including penalty) raised on the shortages noted during the search conducted by the Excise officers of the factory premises of the Company.	12.28	12.28	12.28	12.28	12.28	12.28
The Company had filed an appeal and now the matter has been referred back to the divisional bench						
- Other demands raised under Central Excise Act, 1944 under appeals	19.43	18.59	15.42	12.36	12.36	12.36
<b>iii) Demands raised under Sales Tax Act under appeal for various years</b>						
- Demand raised (including equal amount of interest) on wrong availment of Input tax credit on against Input tax paid on the purchase of DEPB License	17.10	17.10	17.10	17.10	17.10	17.10
The Company is in appeal.						
- Other demands raised under Sales Tax Act under appeals	1.34	7.79	7.79	9.71	8.96	8.96

iv) Demand raised under Income Tax Act, 1961: - Based on a survey conducted by Income Tax Department on 26.03.2015 subsequent to a search operation conducted by the Central Excise Department in the year 2008, the Assistant Commissioner of Income Tax, Circle 5 (2), New Delhi reopened the assessment of the Company for AY 2010-11 and raised demand for the sum of Rs. 62.6 million on the ground that the Company had sold aluminium dross at higher rates in the guise of ash and residue. The Company preferred an appeal against the said order before the Commissioner of Income Tax-2, New Delhi, who has set-aside the demand raised by the Commissioner of Income Tax, Circle 5 (2), New Delhi. Hence, the demand of Rs. 62.6 million against the Company for AY 2010-11 stands set-aside. However, the Assistant Commissioner of Income Tax, Circle 5 (2) has filed an appeal against the said order passed by the Commissioner of Income Tax Appeal before the Income Tax Appellate Tribunal, New Delhi which is pending. As of now, there is no demand against the Company for AY 2010-11.	62.60	62.60	-	-	-	-
	<b>573.41</b>	<b>355.31</b>	<b>161.72</b>	<b>56.88</b>	<b>56.13</b>	<b>55.33</b>

Based on the favourable decisions in similar cases, assessment of in-house legal advisor, discussions with the consultants and legal opinions obtained by the Company in case of (i) to (iv) above, the Company believes that it has good merits on the matters and hence no provision there-against is considered necessary.

#### C. Guarantees

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
(i) Liability in respect of Corporate Guarantee given on behalf of subsidiary companies:-						
a) <b>Given to:</b> State Bank of India, Nehru Place, New Delhi <b>On Behalf of:</b> CMR Nikkei India Private Limited	451.10	609.60	668.30	663.00	405.52	-
b) <b>Given to:</b> State Bank of India, Nehru Place, New Delhi <b>On Behalf of:</b> CMR Toyotsu Aluminium India Private Ltd	550.90	550.90	639.70	617.00	617.00	-
c) <b>Given to:</b> Hero FinCorp Limited, Vasant Vihar, New Delhi* <b>On Behalf of:</b> CMR Nikkei India Private Limited	-	-	-	250.00	-	-
d) <b>Given to:</b> Hero FinCorp Limited, Vasant Vihar, New Delhi* <b>On Behalf of:</b> CMR Toyotsu Aluminium India Private Ltd	-	-	-	130.00	-	-
<b>Total</b>	<b>1,002.00</b>	<b>1,160.50</b>	<b>1,308.00</b>	<b>1,660.00</b>	<b>1,022.52</b>	<b>-</b>

\* Mr. Mohan Agrawal, Managing Director has also provided personal guarantees in respect of above facility.

Further, the Company has also pledged 30% of its equity shareholding viz. 75 lacs equity shares in CMR Toyotsu Aluminium India Private Limited and 26% of equity shareholding in CMR Nikkei India Private Limited viz. 59.73 lacs equity shares with State Bank of India in respect of credit facilities granted by the bank to these companies. The same has been pledged from financial year 2015 -16.

Furthermore, Sanjivani Non Ferrous Trading Private Limited, a subsidiary company is utilising interchangeable limit in respect of "letter of credit/ counter guarantee for buyer's credit" for the purpose of purchase/ import of raw material. The Company has provided security to the Bank in respect of the same. The amount of such facility utilised by the said subsidiary company in different financial year is as follow :-

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Limit Utilisation	-	68.47	75.94	88.41	-	-

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XL**

**Restated Ind AS Unconsolidated Statement of Related Party Transactions**

**In accordance with the requirements of IND AS -24 'Related Party Disclosures' , names of the related parties, related party relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during the period are:**

**(i) Names of related parties and related party relationship**

**(a) Key management personnel and their relatives**

Shri Gauri Shankar Agarwala - Chairman  
Shri Mohan Agarwal - Managing Director  
Shri Akshay Agarwal - Relative of Mohan Agarwal and Gauri Shankar Agarwal (w.e.f July 01, 2014 & became Director w.e.f November 17, 2017)  
Shri Raghav Agarwal - Relative of Mohan Agarwal and Gauri Shankar Agarwal (w.e.f 13 October 2016)  
Smt. Kalawati Agarwal - Relative of Mohan Agarwal and Gauri Shankar Agarwal  
Smt. Pratibha Agarwal - Relative of Mohan Agarwal and Gauri Shankar Agarwal  
Shri Sandeep Shaw - Group Chief Financial Officer ( From 1st May 2017 to December 31,2017)  
Shri Mayank Pareek- Executive Director (till 29th January, 2016)  
Smt. Apoorva Pareek- Relative of Shri Mayank Pareek (till 29th January, 2016)  
Shri Ajay Bansal - Group Chief Financial Officer (Joined on August, 2014 & Resigned w.e.f 8 July 2016)  
Shri Deepak Goel-Group Company Secretary (till July, 2013)  
Shri Pradeep Singh - Group Company Secretary (Joined September'13)  
Mohan Agarwal ( H.U.F)  
Gauri Shankar Agarwal( H.U.F)

**(b) Subsidiary and Associates**

Sanjivani Non Ferrous Trading Private Limited (Subsidiary) (w.e.f. 24th May, 2014)  
CMR Nikkie India Private Limited (Subsidiary)  
CMR Toyotsu Aluminium India Private Limited (Subsidiary)  
Suvridhi Financial Services Limited (Associate)  
CTA Trading Private Limited (Subsidiary of CMR Toyotsu Aluminium Private Limited) ( w.e.f. 2015-16 )  
CMR America LLC - Wholly Owned Subsidiary (ceased w.e.f. 2nd July, 2014)

**(c) Enterprises owned or significantly influenced by key management personnel and their relatives**

Grand Metal Industries Private Limited  
Grand Metal Recycling Private Limited

**(d) Additional related parties as per Companies Act 2013, with whom transactions have taken during the year**

Nil



(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant financial year:

(Amount in Rs.millions)

Particulars	Key management personnel & their relatives					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Services</b>						
<b>Legal and professional fees paid</b>						
Smt. Apoorva Pareek	-	-	0.63	0.84	0.84	0.84
<b>Purchase of property, plant and equipment</b>						
Shri Mohan Agarwal	-	-	-	5.60	-	-
<b>Rent paid</b>						
Smt. Kalawati Agarwal	0.72	0.96	0.96	0.96	0.96	0.96
Smt. Pratibha Agarwal	0.99	1.32	1.32	1.32	1.32	1.32
Shri Mohan Agarwal	-	-	-	-	0.18	0.18
<b>Capital advance paid against purchase of property</b>						
Shri Mohan Agarwal	0.05	5.00	-	16.79	-	-
<b>Interest on Loan</b>						
Shri Gauri Shankar Agarwal	-	-	-	-	0.13	0.12
Shri Mohan Agarwal	-	-	-	-	0.12	0.17
Mohan Agarwal (HUF)	-	-	-	-	0.02	0.02
Gauri Shankar Agarwal (HUF)	-	-	-	-	0.06	0.09
Smt. Kalawati Agarwal	-	-	-	-	0.09	0.44
Smt. Pratibha Agarwal	-	-	-	-	0.04	0.25
<b>Loan transactions during the year</b>						
<b>Shri Gauri Shankar Agarwal</b>						
Loan taken during the year	-	-	-	-	0.71	1.98
Loan Repayment during the year	-	-	-	-	3.28	0.16
<b>Shri Mohan Agarwal</b>						
Loan taken during the year	-	-	-	-	0.80	5.38
Loan Repayment during the year	-	-	-	-	6.06	0.50
<b>Smt. Kalawati Agarwal</b>						
Loan taken during the year	-	-	-	-	0.11	6.63
Loan Repayment during the year	-	-	-	-	6.69	0.25
<b>Smt. Pratibha Agarwal</b>						
Loan taken during the year	-	-	-	-	0.11	0.63
Loan Repayment during the year	-	-	-	-	2.02	2.27
<b>Mohan Agarwal (HUF)</b>						
Loan taken during the year	-	-	-	-	0.10	0.23
Loan Repayment during the year	-	-	-	-	0.41	-
<b>Gauri Shankar Agarwal (HUF)</b>						
Loan taken during the year	-	-	-	-	-	1.23
Loan Repayment during the year	-	-	-	-	1.29	-
<b>Remuneration Paid</b>						
Shri Mohan Agarwal****	13.18	18.65	20.47	17.47	11.24	11.79
Shri Gauri Shankar Agarwal***	2.10	2.42	2.40	2.40	2.40	2.40
Shri Akshay Agarwal***	1.97	2.35	1.93	1.35	-	-
Shri Raghav Agarwal***	1.44	0.81	-	-	-	-
Shri Pradeep Singh	0.74	0.93	0.80	0.75	0.36	-
Shri. Sandeep Shaw ***	3.24	-	-	-	-	-
Shri. Deepak Goel	-	-	-	-	0.14	0.53
Shri Ajay Bansal	-	-	0.36	1.40	-	-
Shri Mayank Pareek	-	-	5.63	4.80	4.80	4.80

\*\*\* The remuneration doesn't include variable pay which is payable for the period October'17 to December'17

\*\*\*\* including rent free accommodation paid to landlords (related parties) already disclosed above.

Particulars	Subsidiary and Associate					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Transactions during the year:</b>						
<b><u>Sale of goods</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	1,368.12	1,328.32	112.35	551.35	35.04	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)*	49.14	0.44	2.28	79.79	0.20	-
Sanjivani Non Ferrous Trading Private Limited (Subsidiary) *	144.17	695.94	4,375.45	318.09	-	-
<b><u>*Including high sea sale netted off with material cost.</u></b>						
Sanjivani Non-Ferrous Trading Private Limited	39.73	685.72	4,328.13	4,780.32	-	-
CMR- Toyotsu Aluminium India Private Limited	33.93	-	2.28	-	-	-
<b><u>Sale of property, plant and equipment</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	-	0.71	-	-
CMR Nikkei India Private Limited (Subsidiary)	0.51	1.42	-	-	-	-
<b><u>Sale of Intangible Assets under development</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	4.15	-	-	-
CMR Nikkei India Private Limited	-	-	4.21	3.84	-	-
Sanjivani Non-Ferrous Trading Private Limited	-	-	0.50	-	-	-
<b><u>Sale of store items</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	0.52	0.06	-	-
CMR Nikkei India Private Limited (Subsidiary)	-	1.81	-	-	-	-
<b><u>Purchase of goods</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	373.02	56.32	84.06	82.41	14.25	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	48.32	2.57	17.39	8.07	-	-
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	1,866.33	4,661.57	8,425.24	6,840.28	-	-
CMR America LLC	-	-	-	-	1.71	1.69
<b><u>Services</u></b>						
<b><u>Technical Assistance Fees</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	1.47	0.97	-	-
<b><u>Sales Commission</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	5.51	4.41	-	-
<b><u>Purchase of property, plant and equipment</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	-	0.28	-	4.48	-	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	-	4.13	-	-	-	-
<b><u>Purchase of store items</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	-	0.67	-	-	-	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	-	0.73	0.43	-	-	-
<b><u>Rent received</u></b>						
Suvridhi Financial Services Limited	0.02	0.02	0.02	0.02	0.02	0.02
CMR- Toyotsu Aluminium India Private Limited	-	-	-	0.01	0.01	-
CMR Nikkei India Private Limited (Subsidiary)	0.31	-	-	-	-	-
<b><u>Investment made</u></b>						
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	-	24.05	-	-	-	-
CMR Nikkei India Private Limited (Subsidiary)	-	147.00	75.00	-	-	-
<b><u>Equity Shares subscription made</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	-	-	49.86	125.15
CMR Nikkei India Private Limited	-	-	-	-	34.00	136.00
<b><u>Reimbursement of expenses to Party</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	237.30	54.36	4.86	2.63	-	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	228.54	22.96	7.34	3.08	-	-
<b><u>Reimbursement of Expenses from related party</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	3.97	-	-	71.63
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	535.98	698.08	154.63	121.14	-	-
CMR Nikkei India Private Limited	-	-	20.63	5.28	-	51.93

<b><u>Loan Given</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	-	337.30	-	-	143.47	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	868.90	48.74	-	-	174.67	-
<b><u>Loan repaid</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	-	337.30	-	-	143.47	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	868.90	48.74	-	24.94	149.93	-
<b><u>Interest Received</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	-	12.65	16.38	-	1.14	-
CMR- Toyotsu Aluminium India Private Limited	-	-	-	-	3.13	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	7.77	2.00	20.83	-	-	-
<b><u>Procurement Commission Received</u></b>						
CMR Nikkei India Private Limited (Subsidiary)	14.31	18.28	18.31	-	-	-
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	12.40	14.23	12.70	6.92	-	-
<b><u>Job Work Received</u></b>						
CMR Nikkei India Private Limited	-	-	-	0.16	-	-
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	52.93	163.08	94.59	40.16	-	-
<b><u>Job Work Purchase</u></b>						
CMR Nikkei India Private Limited	-	-	-	0.26	-	-
<b><u>Gain/(Loss) on fair valuation of financial guarantee</u></b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	-	2.41	1.05	-	-	-
CMR Nikkei India Private Limited (Subsidiary)	1.55	0.58	2.40	-1.13	-	-
<b><u>Initial contribution towards subscription of capital</u></b>						
CMR America LLC	-	-	-	-	-	0.06
<b><u>Preference Shares subscription made</u></b>						
CMR- Toyotsu Aluminium India Private Limited	-	-	-	200.00	-	-
CMR Nikkei India Private Limited	-	-	-	75.00	-	-
<b><u>Conversion of Preference Shares to Equity Shares</u></b>						
CMR Nikkei India Private Limited	-	-	75.00	-	-	-
<b><u>Premium received on conversion of Preference Shares</u></b>						
<b><u>Investment into Equity Investment</u></b>						
CMR Nikkei India Private Limited	-	-	12.75	-	-	-

(Amount in Rs.millions)

Particulars	Enterprises over which Directors and their relatives have significant influence					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b><u>Rent received</u></b>						
Grand Metal Industries Private Limited	0.03	0.04	0.04	0.04	0.04	0.02
Grand Metal Recycling Private Limited	-	0.00	0.00	0.01	0.01	0.01

Century Metal Recycling Limited ( Formerly known as Century Metal Recycling Private Limited)  
ANNEXURE XL  
Restated Ind AS Unconsolidated Statement of Related Party Transactions

(iii) Balances as at the year end		(Amount in Rs.millions)				
Particulars	Key management personnel & their relatives					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Salary Payable</b>						
Shri Gauri Shankar Agarwal	0.14	0.10	0.09	0.15	0.15	0.15
Shri Mohan Agarwal	0.78	0.76	1.14	0.35	0.57	0.60
Shri Akshay Agarwal	0.13	0.11	0.07	0.08	-	-
Shri Raghav Agarwal	0.10	0.07	-	-	-	-
Shri Pradeep Singh	0.05	-	-	-	-	-
Shri Sandeep Shaw	0.25	-	-	-	-	-
Shri Mayank Pareek	-	-	-	0.26	0.24	0.24
<b>Loans to Employees</b>	-	-	-	-	-	-
Shri Mohan Agarwal	0.47	0.85	0.95	1.24	-	-
Shri Gauri Shankar Agarwal	0.07	-	-	-	-	-
Shri Akshay Agarwal	-	0.20	-	-	-	-
<b>Capital Advances</b>	-	-	-	-	-	-
Shri Mohan Agarwal	21.84	21.79	16.79	16.79	-	-
<b>Short term borrowings</b>	-	-	-	-	-	-
Shri Gauri Shankar Agarwal	-	-	-	-	-	2.57
Shri Mohan Agarwal	-	-	-	-	-	5.26
Smt. Kalawati Agarwal	-	-	-	-	-	6.58
Smt. Pratibha Agarwal	-	-	-	-	-	1.91
Mohan Agarwal (HUF)	-	-	-	-	-	0.31
Gauri Shankar Agarwal (HUF)	-	-	-	-	-	1.29
	-	-	-	-	-	-

(Amount in Rs.millions)						
Particulars	Subsidiary and Associate					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Trade Receivables</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	40.94	-	-	-	-	-
CMR Nikkei India Private Limited (Subsidiary)	-	0.71	37.87	-	-	-
<b>Interest Recoverable</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	7.77	1.98	-	-	-	-
CMR Nikkei India Private Limited (Subsidiary)	-	11.38	16.37	-	-	-
<b>Procurement Commission Receivables</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	13.88	20.17	13.97	-	-	-
CMR Nikkei India Private Limited (Subsidiary)	4.89	-	20.97	-	-	-
<b>Advance to Suppliers</b>						
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	459.56	620.31	928.61	619.77	-	-
Suvridhi Financial Services Limited	0.09	0.06	0.02	0.02	-	-
	-	-	-	-	-	-
<b>Loan Recoverable</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	-	-	-	-	24.97	-
	-	-	-	-	-	-
<b>Job Work Recoverable</b>						
Sanjivani Non Ferrous Trading Private Limited (Subsidiary)	-	3.90	-	-	-	-
	-	-	-	-	-	-
<b>Other Current Liabilities</b>						
<b>Advance from Customer</b>						
CMR Nikkei India Private Limited (Subsidiary)	204.64	-	-	-	-	-
<b>Rent Receivable</b>						
CMR Nikkei India Private Limited (Subsidiary)	0.31	-	-	-	-	-
<b>Trade Payable</b>						
CMR America LLC	-	-	-	-	0.29	0.05
<b>Financial Guarantee</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	3.86	3.86	6.27	7.32	6.05	-
CMR Nikkei India Private Limited (Subsidiary)	4.42	5.97	6.55	8.95	5.37	-
<b>Corporate Guarantee given on behalf of the subsidiary</b>						
CMR Toyotsu Aluminium India Private Limited	550.90	609.60	639.70	617.00	617.00	-
CMR Nikkei India Private Limited	451.10	550.90	668.30	913.00	405.52	-
<b>Deemed Investment</b>						
CMR - Toyotsu Aluminium India Private Limited (Subsidiary)	7.32	7.32	7.32	7.32	6.05	-
CMR Nikkei India Private Limited (Subsidiary)	7.82	7.82	7.82	7.82	5.37	-

(Amount in Rs.millions)

Particulars	Enterprises over which Directors and their relatives have significant influence					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Advance to Suppliers</b>						
Grand Metal Industries Private Limited	0.94	0.91	0.04	0.02	-	-
Grand Metal Recycling Private Limited	0.02	0.02	-	-	-	-

**Notes:-**

(i) Property situated at Millennium Plaza Ltd. 001B and 001C, Tower "A" Ground Floor, Sector 27, owned by Shri Guari Shankar Agarwal and Shri Mohan Agarwal, promoter directors has been mortgaged for term loans and cash credit limits including bill discounting facilities and vendor financing facilities utilized by the Company.

(ii) Property situated at Nav Shakti Co-operative Group Housing Society B-43, Plot No.5, Sector - 9, Rohini, New Delhi owned by Shri Mohan Agarwal, promoter director has been mortgaged for term loans and cash credit limits including bill discounting and vendor financing facilities utilized by the Company

(iii) Sh. Mohan Agarwal and Sh. Guari Shankar Agarwal, promoter directors have given personal guarantee for the term loans and cash credit limits including bill discounting facilities and vendor financing utilized by the Company.

(iv) The remuneration to the key managerial personnel and relatives as disclosed above does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(v) Sale, purchase and job work charges transactions disclosed above for the current reporting period is inclusive of excise duty.

(vi) The Company has pledged 75 lakhs equity shares in CMR Toyotsu Aluminium India Private Limited and 59.73 lakhs equity shares in CMR Nikkei India Private Limited with State Bank of India in respect of credit facilities granted by the bank to these companies. The same has been pledged from financial year 2015 -16.

(vii) As per sanction letter of a Bank, Sanjivani Non Ferrous Trading Private Limited, a subsidiary company is utilising interchangeable limit in respect of "letter of credit/ counter guarantee for buyers credit" for the purpose of purchase/ import of raw material. The Company has provided security to the Bank in respect of the same. As at the close of the year, the amount of such facility utilised by the said subsidiary company is Nil (March 31, 2017 : 68.47 millions, March 31, 2016 : Rs. 75.94 millions, March 31, 2015 : 88.41 millions).

(viii) Corporate guarantees were given by Suvridhi Financial Services Limited and Grand Metal Recycling Private Limited for the term loan taken by the Company during the Financial year 2014-15.

**Terms and conditions of transactions with related parties**

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free. For the period ended December 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**1 Statement of Employee Benefits**

Employee Benefits have been classified as under:

**A. Defined Contribution Plans - General Description**

**Provident Fund**

The Company makes contribution towards employees' provident fund . Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes to these defined contribution schemes.

The Company has contributed the following amounts to:

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Employer's Contribution to Provident Fund (Including Employee's Pension Scheme 1995)	7.72	8.45	8.19	8.11	6.80	6.50

**B. Defined Benefit Plans**

**Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
<b>Change in benefit obligation</b>						
Opening defined benefit obligation	18.57	13.19	11.82	9.91	9.39	8.64
Acquisition adjustment	-	0.10	-	-	-	-
Interest cost	1.05	1.06	0.91	0.84	0.75	0.69
Current service cost	2.84	3.18	2.50	2.39	2.08	2.01
Benefits paid	(0.40)	(0.69)	(1.18)	(0.98)	(0.42)	(0.24)
Actuarial (gain)/loss on obligation	(0.76)	1.73	(0.86)	(0.34)	(1.89)	(1.71)
<b>Present value of obligation at the end of the year</b>	<b>21.31</b>	<b>18.57</b>	<b>13.19</b>	<b>11.82</b>	<b>9.91</b>	<b>9.39</b>
<b>Liability/ (Asset) recognized in the financial statements</b>	<b>21.31</b>	<b>18.57</b>	<b>13.19</b>	<b>11.82</b>	<b>9.91</b>	<b>9.39</b>

Amount recognised in Statement of Profit and Loss:

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Current service cost*	2.84	3.18	2.50	2.39	2.08	2.01
Interest cost on benefit obligation	1.05	1.06	0.91	0.84	0.75	0.69
<b>Amount recognised in Statement of Profit and Loss</b>	<b>3.89</b>	<b>4.24</b>	<b>3.41</b>	<b>3.23</b>	<b>2.83</b>	<b>2.70</b>

Amount recognised in Other Comprehensive Income:

(Amount in Rs.millions)						
	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Actuarial changes arising from changes in financial assumptions	(0.61)	2.22	(0.93)	1.02		0.04
Return on plan assets (excluding amounts included in net interest expense)		-				
Experience adjustments	(0.15)	(0.49)	0.08	(1.36)	(1.89)	(1.75)
<b>Amount of loss recognised in Other Comprehensive Income</b>	<b>(0.76)</b>	<b>1.73</b>	<b>(0.86)</b>	<b>(0.34)</b>	<b>(1.89)</b>	<b>(1.71)</b>

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

(in %)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Discount rate (%)	7.76	7.54	8	7.75	8.5	8.00
Expected rate of return on Plan assets (%)						
Future salary increases (%)	9.00	9.00	8.50	8.50	8.50	8.00
Retirement Age (Years)	58	58	58	58	60	60
<b>Withdrawal rate</b>						
Up to 30 years	3%	3%	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%	1%
Mortality Table as per	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

**Gratuity Plan**

		(Amount in Rs.millions)			
Assumptions		Discount rate		Future salary increase	
Discount rate		0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	As at 31 December 2017	(1.30)	1.44	1.33	(1.23)
Impact on defined benefit obligation	As at 31 March 2017	(1.24)	1.38	1.35	(1.23)
Impact on defined benefit obligation	As at 31 March 2016 (Proforma)	(0.82)	0.90	0.89	(0.82)
Impact on defined benefit obligation	As at 31 March 2015 (Proforma)	(0.70)	0.77	0.77	(0.70)
Impact on defined benefit obligation	As at 31 March 2014 (Proforma)	(0.71)	0.67	0.67	(0.71)
Impact on defined benefit obligation	As at 31 March 2013 (Proforma)	(0.67)	0.63	0.63	(0.68)

The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The maturity profile of defined benefit obligation are as follows:

The maturity profile of defined benefit obligation are as follows.

	(Amount in Rs.millions)					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Within the next 12 months (next annual reporting period)	1.32	1.11	0.77	0.21	0.19	0.67
Between 1 and 2 years	0.44	0.39	0.28	0.45	0.53	0.37
Between 2 and 3 years	0.37	0.33	0.38	0.13	0.17	0.18
Between 3 and 4 years	0.41	0.36	0.26	0.05	0.17	0.16
Between 4 and 5 years	0.73	0.57	0.69	0.50	0.17	0.15
Between 5 and 6 years	2.07	1.45	1.29	0.90	0.25	0.14
Beyond 6 years	15.96	14.34	9.52	9.57	8.42	7.73
<b>Total expected payments</b>	<b>21.31</b>	<b>18.57</b>	<b>13.19</b>	<b>11.82</b>	<b>9.91</b>	<b>9.39</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.58 years

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
ANNEXURE XLI  
Notes to Restated Ind AS Unconsolidated Summary Statements

**2. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying value						Fair value					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Financial assets</b>												
<b><u>A. FVPL financial instruments:</u></b>												
Investment in preference shares	200.00	200.00	200.00	275.00	-	-	200.00	200.00	200.00	275.00	-	-
Investment in Other Equity Instruments	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
	<b>200.03</b>	<b>200.03</b>	<b>200.03</b>	<b>275.03</b>	<b>0.03</b>	<b>0.03</b>	<b>200.03</b>	<b>200.03</b>	<b>200.03</b>	<b>275.03</b>	<b>0.03</b>	<b>0.03</b>
<b><u>B. Amortised Cost:</u></b>												
Loan to employees	0.09	0.72	0.76	-	-	-	0.09	0.72	0.76	-	-	-
Security deposits	10.48	10.46	10.31	12.80	12.17	6.34	10.48	10.46	10.31	12.80	12.17	6.34
Interest accrued on fixed deposits	1.03	-	-	0.21	-	-	1.03	-	-	0.21	-	-
	<b>11.59</b>	<b>11.18</b>	<b>11.07</b>	<b>13.00</b>	<b>12.17</b>	<b>6.34</b>	<b>11.59</b>	<b>11.18</b>	<b>11.07</b>	<b>13.00</b>	<b>12.17</b>	<b>6.34</b>
<b>Total</b>	<b>211.62</b>	<b>211.21</b>	<b>211.10</b>	<b>288.03</b>	<b>12.20</b>	<b>6.37</b>	<b>211.62</b>	<b>211.21</b>	<b>211.10</b>	<b>288.03</b>	<b>12.20</b>	<b>6.37</b>
<b>Financial liabilities</b>												
<b><u>A. FVTPL</u></b>												
Derivative liabilities	0.48	9.78	17.25	1.35	9.75	-	0.48	9.78	17.25	1.35	9.75	-
	<b>0.48</b>	<b>9.78</b>	<b>17.25</b>	<b>1.35</b>	<b>9.75</b>	<b>-</b>	<b>0.48</b>	<b>9.78</b>	<b>17.25</b>	<b>1.35</b>	<b>9.75</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>												
Borrowings	129.38	137.23	110.90	57.86	110.93	174.69	129.38	137.23	110.90	57.86	110.93	174.69
Financial guarantee	8.28	9.83	12.82	16.27	11.42	-	8.28	9.83	12.82	16.27	11.42	-
Security deposits	1.42	1.07	1.22	2.14	1.82	2.12	1.42	1.07	1.22	2.14	1.82	2.12
	<b>139.08</b>	<b>148.13</b>	<b>124.95</b>	<b>76.26</b>	<b>124.17</b>	<b>176.81</b>	<b>139.08</b>	<b>148.13</b>	<b>124.95</b>	<b>76.26</b>	<b>124.17</b>	<b>176.81</b>
<b>Total</b>	<b>139.56</b>	<b>157.91</b>	<b>142.20</b>	<b>77.61</b>	<b>133.92</b>	<b>176.81</b>	<b>139.56</b>	<b>157.91</b>	<b>142.20</b>	<b>77.61</b>	<b>133.92</b>	<b>176.81</b>



The management assessed that trade receivables, Non Current Fixed deposits, capital creditors, trade payables and other current financial assets and liabilities (except derivative liabilities and financial guarantees) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

**Investment in preference shares : -**

The fair value of investment in preference shares of subsidiary has been estimated using discounted cash flow method. The valuation requires management to make certain assumptions about the model inputs including cash flows and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments. These preference shares have been converted into equity shares as per resolution passed in the meeting of Board of Directors held on 26th March 2018.

**Financial guarantee -**

The fair value of the financial guarantees provided on behalf of the subsidiaries have been estimated using the standard valuation techniques. The valuation requires the management to make certain assumptions about the model inputs , including probability of default and credit risk exposure.

**Derivative financial instruments -**

The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date.  
The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

**Interest Free Borrowings:-**

The fair values of the Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

**Investment in Other equity instruments, loan to employees, Borrowings other than Interest Free Borrowings, security deposit and Interest**

The fair value of investment in other equity instruments, loan to employees, security deposit and interest accrued on fixed deposits approximates the carrying value and hence, the valuation technique and inputs have not been given.

**3. Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2017:****(Amount in Rs.millions)**

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
<b>I. Assets measured at fair value :</b>					
<b><u>FVTPL financial instruments:</u></b>					
Investment in preference shares	December 31, 2017	200.00	-	-	200.00
Investment in equity shares (unquoted)	December 31, 2017	0.03	-	-	0.03
		<b>200.03</b>	<b>-</b>	<b>-</b>	<b>200.03</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	December 31, 2017	0.09	-	0.09	-
Security deposits	December 31, 2017	10.48	-	10.48	-
Interest accrued on fixed deposits	December 31, 2017	1.03	-	1.03	-
		<b>11.59</b>	<b>-</b>	<b>11.59</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	December 31, 2017	0.48	-	0.48	-
		<b>0.48</b>	<b>-</b>	<b>0.48</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	December 31, 2017	129.38	-	129.38	-
Financial guarantee	December 31, 2017	8.28	-	8.28	-
Security deposits	December 31, 2017	1.42	-	1.42	-
		<b>139.08</b>	<b>-</b>	<b>139.08</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended December 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(Amount in Rs.millions)

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value:</b>					
<b><u>FVTPL financial instruments:</u></b>					
Investment in preference shares	March 31, 2017	200.00	-	-	200.00
Investment in equity shares (unquoted)	March 31, 2017	0.03	-	-	0.03
		<b>200.03</b>	<b>-</b>	<b>-</b>	<b>200.03</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2017	0.72	-	0.72	-
Security deposits	March 31, 2017	10.46	-	10.46	-
		<b>11.18</b>	<b>-</b>	<b>11.18</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2017	9.78	-	9.78	-
		<b>9.78</b>	<b>-</b>	<b>9.78</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2017	137.23	-	137.23	-
Financial guarantee	March 31, 2017	9.83	-	9.83	-
Security deposits	March 31, 2017	1.07	-	1.07	-
		<b>148.13</b>	<b>-</b>	<b>148.13</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016 (Proforma):

(Amount in Rs.millions)

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value :					
<u>FVTPL financial instruments:</u>					
Investment in preference shares	March 31, 2016	200.00	-	-	200.00
Investment in equity shares (unquoted/quoted)	March 31, 2016	0.03	0.01	-	0.02
		<b>200.03</b>	<b>0.01</b>	<b>-</b>	<b>200.02</b>
<u>B. Amortised Cost:</u>					
Loan to employees	March 31, 2016	0.76	-	0.76	-
Security deposits	March 31, 2016	10.31	-	10.31	-
		<b>11.07</b>	<b>-</b>	<b>11.07</b>	<b>-</b>
Financial liabilities					
<u>A. FVTPL</u>					
Derivative liabilities	March 31, 2016	17.25	-	17.25	-
		<b>17.25</b>		<b>17.25</b>	
<u>B. Amortised Cost:</u>					
Borrowings	March 31, 2016	110.93	-	110.93	-
Financial guarantee	March 31, 2016	12.82	-	12.82	-
Security deposits	March 31, 2016	1.22	-	1.22	-
		<b>124.98</b>	<b>-</b>	<b>124.98</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during at March 31, 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2015 (Proforma):

(Amount in Rs.millions)

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value :</b>					
<b><u>FVTPL financial instruments:</u></b>					
Investment in preference shares	March 31, 2015	275.00	-	-	275.00
Investment in equity shares (unquoted/quoted)	March 31, 2015	0.03	0.01	-	0.02
		<b>275.03</b>	<b>0.01</b>	<b>-</b>	<b>275.02</b>
<b><u>B. Amortised Cost:</u></b>					
Security deposits	March 31, 2015	12.80	-	12.80	-
Interest accrued on fixed deposits	March 31, 2015	0.21	-	0.21	-
		<b>13.00</b>	<b>-</b>	<b>13.00</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2015	1.35	-	1.35	-
		<b>1.35</b>	<b>-</b>	<b>1.35</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2015	57.86	-	57.86	-
Financial guarantee	March 31, 2015	16.27	-	16.27	-
Security deposits	March 31, 2015	2.14	-	2.14	-
		<b>76.26</b>	<b>-</b>	<b>76.26</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2015.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2014 (Proforma):

(Amount in Rs.millions)

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value:</b>					
<b><u>FVTPL financial instruments:</u></b>					
Investment in preference shares	March 31, 2014	-	-	-	-
Investment in equity shares (unquoted/quoted)	March 31, 2014	0.02	-	0.01	0.01
		<b>0.02</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2014	-	-	-	-
Security deposits	March 31, 2014	12.17	-	12.17	-
		<b>12.17</b>	<b>-</b>	<b>12.17</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2014	9.75	-	9.75	-
		<b>9.75</b>	<b>-</b>	<b>9.75</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2014	110.93	-	110.93	-
Financial guarantee	March 31, 2014	11.42	-	11.42	-
Security deposits	March 31, 2014	1.82	-	1.82	-
		<b>124.17</b>	<b>-</b>	<b>124.17</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2014.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2013 (Proforma):

(Amount in Rs.millions)

		(Amount in Lakhs)			
		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value :</b>					
<b><u>FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted/quoted)	March 31, 2013	0.02	0.01	-	0.01
		<b>0.02</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2013	-	-	-	-
Security deposits	March 31, 2013	6.34	-	6.34	-
		<b>6.34</b>	<b>-</b>	<b>6.34</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2013	174.69	-	174.69	-
Security deposits	March 31, 2013	2.12	-	2.12	-
		<b>176.81</b>	<b>-</b>	<b>176.81</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2013.

**Sensitivity:-**

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015.

Particulars	Valuation technique	Significant unobservable inputs	Discount Rate	Range (weighted average)	Sensitivity of the input to fair value
<b>December 31, 2017</b>					
Investment in Preference Shares	Discounted Cash flow Method	Discount rate	23.23%	+1%	Nil
				-1%	Nil
<b>March 31, 2017</b>					
Investment in Preference Shares	Discounted Cash flow Method	Discount rate	21.14%	+1%	Nil
				-1%	Nil
<b>March 31, 2016</b>					
Investment in Preference Shares	Discounted Cash flow Method	Discount rate	21.12%	+1%	Nil
				-1%	Nil
<b>March 31, 2015</b>					
Investment in Preference Shares	Discounted Cash flow Method	Discount rate	21.93%	+1%	Nil
				-1%	Nil

The fair value of investment in other equity instruments approximates the carrying value and hence, the valuation technique and inputs with Sensitivity analysis have not been given.

#### 4. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of Borrowings, trade payables, derivative liability, financial guarantee, security deposits received, capital creditors, and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analysis in the following sections relate to the position as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013

##### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(Amount in Rs.millions)	
	Increase/decrease in basis points	Effect on profit before tax and equity
<b>US dollar Borrowings</b>		
<b>December 31, 2017</b>		
USD Borrowings	+0.5	(2.24)
USD Borrowings	-0.5	2.24
<b>March 31, 2017</b>		
USD Borrowings	+0.5	(3.68)
USD Borrowings	-0.5	3.68
<b>March 31, 2016</b>		
USD Borrowings	+0.5	(4.26)
USD Borrowings	-0.5	4.26
<b>March 31, 2015</b>		
USD Borrowings	+0.5	(4.02)
USD Borrowings	-0.5	4.02
<b>March 31, 2014</b>		
USD Borrowings	+0.5	(2.90)
USD Borrowings	-0.5	2.90
<b>March 31, 2013</b>		
USD Borrowings	+0.5	2.68
USD Borrowings	-0.5	(2.68)

The above assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

##### **Fair value sensitivity analysis for fixed rate instruments :-**

The Company has not disclosed interest rate risks on any fixed rate financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss nor affect equity.

##### (b) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD and Euro. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Company's functional currency. The Company imports raw materials which exposes it to foreign currency risk. The Company holds derivative foreign currency forward contracts to mitigate the risk of change in exchange rate on foreign currency exposure. The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Below is the Company's exposure to foreign currency risk changes

	(Amount in Rs.millions)	
	Change in USD rate	Effect on profit before tax and equity
		Rs.
<b>31-Dec-17</b>		
USD	+5%	(37.85)
USD	-5%	37.85
<b>31-Mar-17</b>		
USD	+5%	(6.31)
USD	-5%	6.31
<b>31-Mar-15</b>		
USD	+5%	(17.69)
USD	-5%	17.69
<b>31-Mar-14</b>		
USD	+5%	-
USD	-5%	(33.57)
<b>31-Mar-13</b>		
USD	+5%	33.57
USD	-5%	33.57
<b>31-Mar-14</b>		
USD	+5%	(23.68)
USD	-5%	23.68
<b>31-Mar-13</b>		
USD	+5%	(33.20)
USD	-5%	33.20

The above assumed movement in the basis points for the Foreign exchange sensitivity analysis is based on the Foreign risk exposure in the past.

**(c) Commodity price risk**

The operating activities of the Company require the ongoing purchase of aluminium and scrap. The purchase price of the aluminium scrap depends on the global metal market. However, Company is not exposed to commodity price risk as any change in the price of commodity is subsequently recovered by the Company from its customers, thus safeguarding itself from any fluctuation in the price of commodity

**(d) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

**(i) Trade Receivable**

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

The ageing of trade receivables at the reporting date was:

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Due 0-180 days	1,329.51	995.26	1,028.21	1,063.21	1,690.58	1,211.46
Above 180 days	3.73	0.33	51.24	53.89	35.99	17.95

**Movement in provisions of bad and doubtful debts**

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Opening provisions	29.95	29.95	29.95	13.31	6.65	-
Add: Additional provision made	-	-	-	16.65	6.66	6.65
Less: Provision written off	-	-	-	-	-	-
Less: Provision reversed	-	-	-	-	-	-
Closing provisions	29.95	29.95	29.95	29.95	13.31	6.65

**ii) Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**The Company's maximum exposure to credit risk for the components of the Balance Sheet as at December 31, 2017.**

(Amount in Rs.millions)	
Particulars	As at December 31, 2017
Investment in equity shares	611.38
Investment in preference shares	200.00
Security Deposits (Current & Non Current)	25.01
Loan to employees (Current & Non Current)	4.03
Trade receivables	1,333.24

**Liquidity risk**

The Company monitors its risk of a shortage of funds doing a liquidity planning exercise.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term borrowing facilities like bank overdraft, cash credit facility and buyers credit facility. The Company's treasury function reviews the liquidity position on an ongoing basis. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and surplus cash and cash equivalent on the basis of expected cash flow. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payment :

As at December 31, 2017

(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	342.09	1,186.98	129.38	-	1,658.46
Floating Rate Borrowings	-	625.90	-	-	625.90
Security deposits from customers/ others	-	12.57	1.42	-	13.99
Interest accrued but not due on borrowings	-	5.02	-	-	5.02
Interest accrued and due on borrowings	-	1.17	-	-	1.17
Employee related liabilities	-	18.03	-	-	18.03
Payable for capital goods	-	6.17	-	-	6.17
Trade payables	-	435.79	-	-	435.79
Derivative liability	-	0.48	-	-	0.48
Financial guarantee *	1,002.00	-	-	-	1,002.00
	<b>1,344.10</b>	<b>2,292.12</b>	<b>130.80</b>	<b>-</b>	<b>3,767.01</b>

\*Guarantee provided to State Bank of India Nehru Place, Delhi in respect of credit facilities availed by its subsidiaries against which amount of Rs. 8.28 millions is recognised as a Financial Liability (Refer Annexure XXII)

As at March 31, 2017					
(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	85.16	939.27	137.23	-	1,161.65
Floating Rate Borrowings	-	521.89	-	-	521.89
Security deposits from customers/ others	-	14.50	1.07	-	15.57
Interest accrued but not due on borrowings	-	1.58	-	-	1.58
Interest accrued and due on borrowings	-	2.53	-	-	2.53
Employee related liabilities	-	16.38	-	-	16.38
Payable for capital goods	-	3.99	-	-	3.99
Trade payables	-	186.37	-	-	186.37
Derivative liability	-	9.78	-	-	9.78
Financial guarantee *	1,160.50	-	-	-	1,160.50
	<b>1,245.66</b>	<b>1,696.29</b>	<b>138.30</b>	<b>-</b>	<b>3,080.24</b>

\*Guarantee provided to State Bank of India Nehru Place , Delhi in respect of credit facilities availed by its subsidiaries against which amount of Rs. 9.83 millions is recognised as a Financial Liability (Refer Annexure XXII)

As at March 31, 2016					
(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	33.24	1,044.38	110.90	-	1,188.53
Floating Rate Borrowings	-	740.10	-	-	740.10
Security deposits from customers/ others	-	12.10	1.22	-	13.32
Interest accrued but not due on borrowings	-	1.29	-	-	1.29
Interest accrued and due on borrowings	-	5.69	-	-	5.69
Employee related liabilities	-	17.15	-	-	17.15
Payable for capital goods	-	9.74	-	-	9.74
Trade payables	-	514.10	-	-	514.10
Derivative liability	-	17.25	-	-	17.25
Financial guarantee *	1,308.00	-	-	-	1,308.00
	<b>1,341.24</b>	<b>2,361.79</b>	<b>112.12</b>	<b>-</b>	<b>3,815.15</b>

\*Guarantee provided to State Bank of India Nehru Place , Delhi in respect of credit facilities availed by its subsidiaries against which amount of Rs. 12.82 millions is recognised as a Financial Liability (Refer Annexure XXII)

As at March 31, 2015					
(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	751.69	543.41	57.86	-	1,352.95
Floating Rate Borrowings	-	833.95	-	-	833.95
Security deposits from customers/ others	-	2.10	2.14	-	4.23
Interest accrued but not due on borrowings	-	0.75	-	-	0.75
Interest accrued and due on borrowings	-	2.95	-	-	2.95
Employee related liabilities	-	15.06	-	-	15.06
Payable for capital goods	-	10.78	-	-	10.78
Trade payables	-	479.00	-	-	479.00
Derivative liability	-	1.35	-	-	1.35
Other interest payable	-	0.27	-	-	0.27
Financial guarantee *	1,660.00	-	-	-	1,660.00
	<b>2,411.69</b>	<b>1,889.61</b>	<b>59.99</b>	<b>-</b>	<b>4,361.29</b>

\*Guarantee provided to State Bank of India Nehru Place , Delhi in respect of credit facilities availed by its subsidiaries against which amount of Rs. 16.27 millions is recognised as a Financial Liability (Refer Annexure XXII)

As at March 31, 2014					
(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	813.79	590.40	110.91	-	1,515.10
Floating Rate Borrowings	-	774.63	-	-	774.63
Security deposits from customers/ others	-	2.37	1.82	-	4.19
Interest accrued but not due on borrowings	-	0.91	-	-	0.91
Interest accrued and due on borrowings	-	-	-	-	-
Employee related liabilities	-	10.99	-	-	10.99
Payable for capital goods	-	18.88	-	-	18.88
Trade payables	-	427.46	-	-	427.46
Derivative liability	-	9.75	-	-	9.75
Financial guarantee *	1,165.00	-	-	-	1,165.00
	<b>1,978.79</b>	<b>1,835.40</b>	<b>112.73</b>	<b>-</b>	<b>3,926.92</b>

\*Guarantee provided to State Bank of India Nehru Place , Delhi in respect of credit facilities availed by its subsidiaries against which amount of Rs. 11.42 millions is recognised as a Financial Liability (Refer Annexure XXII)

As at March 31, 2013					
(Amount in Rs.millions)					
Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	217.52	757.42	174.70	-	1,149.64
Floating Rate Borrowings	-	663.04	-	-	663.04
Security deposits from customers/ others	-	-	2.12	-	2.12
Interest accrued but not due on borrowings	-	1.07	-	-	1.07
Interest accrued and due on borrowings	-	-	-	-	-
Employee related liabilities	-	11.85	-	-	11.85
Payable for capital goods	-	2.39	-	-	2.39
Trade payables	-	357.11	-	-	357.11
	<b>217.52</b>	<b>1,792.88</b>	<b>176.82</b>	<b>-</b>	<b>2,187.22</b>

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to development affecting a particular industry. The Company is not exposed to excessive concentration since the customers of the Company are not engaged in similar business activities. The Company derives its revenues and corresponding trade receivables from varied number of customers.



**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Unconsolidated Summary Statements**

**5. Segment information**

As per Ind AS 108 identification of segment is based on the manner in which the Companies Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Chief Operating decision maker reviews business performance at an overall Company level as one segment "Aluminium ingots and zinc ingots"

**a) Summary of total revenue by Geographical area is as follows:**

**Products and services**

(Amount in Rs.millions)						
Revenue						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Revenue From External Customers</b>						
Outside India	-	-	75.02	5.73	3.70	6.14
India	12,666.74	15,636.01	14,711.18	16,254.20	14,431.14	13,655.17
<b>Total</b>	<b>12,666.74</b>	<b>15,636.01</b>	<b>14,786.20</b>	<b>16,259.93</b>	<b>14,434.84</b>	<b>13,661.31</b>

**b) Summary of non- current assets by geographical location is as follows:**

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Property plant and equipment</b>						
India	760.37	802.39	898.10	926.34	898.24	733.14
Outside India						
<b>Intangible</b>						
India	18.15	20.92	14.89	3.91	5.01	3.40
Outside India						
<b>Capital Work-in-progress</b>						
India	15.29	7.79	11.10	27.87	39.82	9.07
Outside India						
<b>Intangible under development</b>						
India	-	-	7.97	17.50	11.75	-
Outside India						
<b>Investment Property</b>						
India	27.91	-	-	-	-	-
Outside India						
<b>Non-Current Investments</b>						
India	842.31	834.04	653.16	668.03	358.88	263.60
Outside India					-	-
<b>Other Non current assets</b>						
India	56.55	111.11	139.41	119.54	67.72	65.14
Outside India						
<b>Total</b>	<b>1,720.58</b>	<b>1,776.25</b>	<b>1,724.63</b>	<b>1,763.19</b>	<b>1,381.42</b>	<b>1,074.35</b>

**c) Revenue from major customer**

Revenue from major customers with percentage of total Revenue are as below:-

(Amount in Rs.millions)		
Name of The Customer	Rockman Industries Limited	Sunbeam Auto Private Limited
	Revenue	Revenue
<b>Period ended December 31, 2017</b>		
Revenue	1,917.85	2,466.52
Revenue %	15.14%	19.47%
<b>Year ended March 31, 2017</b>		
Revenue	2,413.62	3,554.98
Revenue %	15.44%	22.74%
<b>Year ended March 31, 2016 (Proforma)</b>		
Revenue	2,315.74	3,881.15
Revenue %	15.66%	26.25%
<b>Year ended March 31, 2015 (Proforma)</b>		
Revenue	2,147.86	4,566.33
Revenue %	13.21%	28.08%
<b>Year ended March 31, 2014 (Proforma)</b>		
Revenue	2,443.53	4,612.44
Revenue %	16.93%	31.95%
<b>Year ended March 31, 2013 (Proforma)</b>		
Revenue	2,591.80	4,431.75
Revenue %	18.97%	32.44%

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Unconsolidated Summary Statements**

**6. Capital management**

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital general reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, *less* cash and cash equivalents.

(Amount in Rs.millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Trade payables (Refer annexure XXI)	435.79	186.37	514.10	479.00	427.46	357.11
Other financial liabilities (Refer annexure XXII)	53.14	59.66	77.26	51.65	56.15	17.43
Borrowings	2,284.36	1,683.54	1,928.63	2,186.90	2,289.73	1,812.68
Less: Cash and cash equivalents (Refer annexure XVII(a) )	(32.36)	(146.44)	(165.62)	(31.00)	(5.11)	(2.63)
<b>Net debts</b>	<b>2,740.93</b>	<b>1,783.13</b>	<b>2,354.38</b>	<b>2,686.55</b>	<b>2,768.23</b>	<b>2,184.59</b>
<b>Total equity</b>	<b>3,261.43</b>	<b>2,742.88</b>	<b>2,119.95</b>	<b>2,048.47</b>	<b>2,000.81</b>	<b>1,358.83</b>
<b>Capital and Net Debt</b>	<b>6,002.36</b>	<b>4,526.01</b>	<b>4,474.33</b>	<b>4,735.02</b>	<b>4,769.04</b>	<b>3,543.42</b>
<b>Gearing ratio (%)</b>	<b>45.66%</b>	<b>39.40%</b>	<b>52.62%</b>	<b>56.74%</b>	<b>58.05%</b>	<b>61.65%</b>

No changes were made in the objectives, policies or processes for managing capital.

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Unconsolidated Summary Statements**

**7. Micro, Small & Medium Enterprises**

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year *	0.70	1.92	0.46	-	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment	-	-	-	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-	-

\* Amount pertaining to capital creditors is as follow:-

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
The principal amount and the interest due thereon remaining unpaid to any capital supplier	-	-	0.42	-	-	-

**8. In light of Section 135 of the Companies Act 2013, the Company has not incurred any expenses on Corporate Social Responsibility (CSR). The gross amount required to be spent by the Company during the year on CSR activities is:**

(Amount in Rs.millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Gross Amount to be spent on CSR Activities for the year	6.54	1.62	3.30	4.50	NA	NA

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
ANNEXURE XLI  
Notes to Restated Ind AS Unconsolidated Summary Statements

9 Disclosure required under Section 186(4) of the Companies Act 2013

a) The loan given to subsidiary Companies:

(Amount in Rs. millions)

Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>CMR-Nikkei India Private Limited</b>						
Loan Given	-	337.30	-	-	143.47	-
Loan Repayment	-	337.30	-	-	143.47	-
Balance Outstanding	-	-	-	-	-	-
<b>CMR- Toyotsu Aluminium Private Limited</b>						
Loan Given	868.90	48.74	-	-	174.67	-
Loan Repayment	868.90	48.74	-	24.94	149.93	-
Balance Outstanding	-	-	-	-	24.73	-

b) Particulars of Corporate Guarantees given as required by section 186(4) of Companies Act 2013

(Amount in Rs. millions)

Particulars	CMR-Toyotsu Aluminium India Private Limited	CMR Nikkei India Private Limited
<b>As on 31st March 2012 (Profoma)</b>	-	-
Guarantees given	-	-
Guarantees withdrawn	-	-
<b>As on 31st March 2013 (Profoma)</b>	-	-
Guarantees given	617.00	548.00
Guarantees withdrawn	-	-
<b>As on 31st March 2014 (Profoma)</b>	<b>617.00</b>	<b>548.00</b>
Guarantees given	747.00	913.00
Guarantees withdrawn	617.00	548.00
<b>As on 31st March 2015 (Profoma)</b>	<b>747.00</b>	<b>913.00</b>
Guarantees given	639.70	668.30
Guarantees withdrawn	747.00	913.00
<b>As on 31st March 2016 (Profoma)</b>	<b>639.70</b>	<b>668.30</b>
Guarantees given	550.90	609.60
Guarantees withdrawn	639.70	668.30
<b>As on 31st March 2017</b>	<b>550.90</b>	<b>609.60</b>
Guarantees given	550.90	451.10
Guarantees withdrawn	550.90	609.60
<b>As on 31st December 2017</b>	<b>550.90</b>	<b>451.10</b>

The Company has given corporate guarantees in respect of Letter of Credit/Bill Discounting facilities taken by the above subsidiaries companies, where the Company is jointly and severally liable.

c) Details of Investment made (at cost):

(Amount in Rs. millions)

Particulars	Suvridhi Financial Services Limited	DSJ Communication Limited	Mardia Steel Limited	Usha India Limited	CMR Nikkei India Private Limited	CMR-Toyotsu Aluminium India Private Limited	Sanjivani Non-Ferrous Trading Private Limited	Century Extrusion Limited	CMR America LLC	Total
<b>As on 31st March 2012 (Profoma)</b>	<b>1.88</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	-	-	-	-	-	<b>1.90</b>
Investments made during the year	0.50	-	-	-	136.00	125.14	-	-	0.05*	261.70
Investments sold during the year	-	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2013 (Profoma)</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>136.00</b>	<b>125.14</b>	-	-	<b>0.05</b>	<b>263.60</b>
Addition due to partly paid up shares, now fully paid up	-	-	-	-	-	49.86	-	-	-	49.86
Investments made during the year	-	-	-	-	39.37	6.05	-	-	-	45.42
Investments sold during the year	-	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2014 (Profoma)</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>175.37</b>	<b>181.05</b>	-	-	<b>0.05</b>	<b>358.88</b>
Investments made during the year	-	-	-	-	83.95	207.32	17.93	-	-	309.20
Investments sold during the year	-	-	-	-	-	-	-	-	0.05	0.05
<b>As on 31st March 2015 (Profoma)</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>259.32</b>	<b>388.37</b>	<b>17.93</b>	-	-	<b>668.02</b>
Investments made during the year	-	-	-	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	7.77	7.10	-	0.01	-	14.88
<b>As on 31st March 2016 (Profoma)</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>251.55</b>	<b>381.27</b>	<b>17.93</b>	-	-	<b>653.15</b>
Investments made during the year	-	-	-	-	152.97	3.86	24.05	-	-	180.88
Investments sold during the year	-	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2017</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>404.52</b>	<b>385.13</b>	<b>41.98</b>	-	-	<b>834.03</b>
Investments made during the year	-	-	-	-	4.42	3.86	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-	-	-	-
<b>As on 31st December 2017</b>	<b>2.38</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>408.94</b>	<b>388.98</b>	<b>41.98</b>	-	-	<b>842.31</b>

\* USD 1,000 as initial contribution towards subscription of capital.

Further the Company has also pledged 75 lakhs equity shares in CMR Toyotsu Aluminium India Private Limited and 59.73 lakhs equity shares in CMR Nikkei India Private Limited with State Bank of India in respect of credit facilities granted by banks to these companies. The same has been pledged from financial year 2015 -16.

Details of Investment made

I. Equity Shares

(No. of Shares)

Particulars	Suvridhi Financial Services Limited	DSJ Communication Limited	Mardia Steel Limited	Usha India Limited	CMR Nikkei India Private Limited (No of shares in '00)	CMR-Toyotsu India Private Limited (No of shares in '00)	Sanjivani Non-Ferrous Trading Private Limited	Century Extrusion Limited	CMR America LLC
<b>As on 31st March 2012 (Profoma)</b>	<b>9,48,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	-	-	-	<b>4,361</b>	-
Investments made during the year	2,50,000	-	-	-	1,36,00,000	1,75,00,000	-	-	100
Investments sold during the year	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2013 (Profoma)</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>1,36,00,000</b>	<b>1,75,00,000*</b>	-	<b>4,361</b>	<b>100</b>
Investments made during the year	-	-	-	-	34,00,000	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2014 (Profoma)</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>1,70,00,000</b>	<b>1,75,00,000</b>	-	<b>4,361</b>	<b>100</b>
Investments made during the year	-	-	-	-	-	2,00,00,000	1,04,300	-	-
Investments sold during the year	-	-	-	-	-	-	-	-	100
<b>As on 31st March 2015 (Profoma)</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>1,70,00,000</b>	<b>3,75,00,000</b>	<b>1,04,300</b>	<b>4,361</b>	-
Investments made during the year	-	-	-	-	75,00,000	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-	4,361	-
<b>As on 31st March 2016 (Profoma)</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>2,45,00,000</b>	<b>3,75,00,000</b>	<b>1,04,300</b>	-	-
Investments made during the year	-	-	-	-	1,47,00,000	-	1,21,466	-	-
Investments sold during the year	-	-	-	-	-	-	-	-	-
<b>As on 31st March 2017</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>3,92,00,000</b>	<b>3,75,00,000</b>	<b>2,25,766</b>	-	-
Investments made during the year	-	-	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-	-	-
<b>As on 31st December 2017</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>3,92,00,000</b>	<b>3,75,00,000</b>	<b>2,25,766</b>	-	-

\*1,74,93,000 equity shares partly paid up at Rs. 7.15 per share.

## 10. List of subsidiaries and step down subsidiary with ownership % and place of business :

Name of the investees	Principal Place of Business	Proportion of Ownership as at December 31, 2017	Proportion of Ownership as at March 31, 2017	Proportion of Ownership as at March 31, 2016	Proportion of Ownership as at March 31, 2015	Proportion of Ownership as at March 31, 2014	Proportion of Ownership as at March 31, 2013	Method used to account for the investment
<b>Subsidiaries</b>								
CMR Nikkie India Private Limited	INDIA	74%	74%	74%**	74%	74%	74%	At cost
CMR Toyotsu Aluminium India Private Limited */***	INDIA	70%	70%	70%	70%	70%	70%	At cost/ Fair Value
Sanjivani Non Ferrous Trading Private Limited	INDIA	49.00%	49.00%	47.85%	47.85%	-	-	At cost
<b>Subsidiary of CMR Toyotsu Aluminium Private Limited</b>								
CTA Trading Private Limited (w.e.f. financial year 2015 -16)	INDIA	100%	100%	100%	-	-	-	At cost

\* In case of equity investment at Cost, whereas investment in preference shares at fair value.

\*\*Percentage of the ownership in the said company at the year-end was 80.40% which was reduced to 74.00% after allotting shares to the joint venture partner equivalent to 6.40% of the equity share capital of the said joint venture in the year 2016-17.

\*\*\*Including its 100% subsidiary, CTA Trading Private Limited, incorporated during the year 2015-16

11.. The Haridwar unit of the Company is exempt from excise duty for 10 years from date of commercial production i.e. 01.09.2008 vide notification number 50/2003 .C.E. dated 10.06.2003. Further, the unit is also exempt under Section 80IC of the Income Tax Act to the extent of 100% of taxable profit for first 5 years and 30% of taxable profit for balance period of 5 years.

12. Revenues from Operations for the period beginning 1st July 2017 to 31st December 2017 are not comparable with previous periods, since sales are net of GST whereas Excise duties formed part of other expenses in previous periods.

13. The Commissioner of Central Excise, Delhi ("CE") passed an order dated 27.10.2011 against the Company alleging that, the Company had availed CENVAT Credit, under the Cenvat Credit Rules, 2004, for an aggregate amount of Rs 158.58 million on purchase of aluminium scraps which were utilized in clandestine manner and without proper accounting. Additionally the Company was directed to pay an amount of Rs 41.76 million on account of duty short paid on clearance of aluminium dross in the guise of ash and residue . The Company filed appeal against the said order of CE before Customs, Excise and Service Tax Appellate Tribunal, Principal Bench, New Delhi ("CESTAT") and the CESTAT after careful perusal of the facts and circumstances of the case and appreciation of the evidence available and attending circumstances passed an order dated 04.12.2015 in the favor of the Company by setting aside all the allegations of the CE for the reason same being baseless and uncorroborated. CE filed a prosecution case in the Court of Chief Judicial Magistrate, Faridabad in the year 2016 u/s 9 and 9AA of the Central Excise Act, 1944. Section 9 and 9AA lays down the provision about criminal prosecution, imprisonment and penalty. The amount of penalty referred under Section 9 and 9AA of the Central Excise Act, 1944 cannot be ascertained since this purely depends upon the discretion of the judge, therefore the question of quantification of contingent liability doesnot arise at this juncture at all. Moreover in prosecution cases the focus of the courts are more on imprisonment not monetary recovery for which appeal is the right remedy. The Company based on in-house assessment does not expect any liability on account of above .

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

per Anil Gupta

Partner

Membership No. 87921

Place: New Delhi

Date: June 04, 2018

For and on behalf of the Board of Directors of

Century Metal Recycling Limited (formerly known as Century Metal Recycling

Gauri Shankar Agarwala

(Chairman)

Mohan Agarwal

(Managing Director)

Pradeep Singh

(Company Secretary)

Satish Kaushik

(Chief Financial Officer)

## Independent Auditor's Report on Restated Ind AS Consolidated Summary Statement

To  
The Board of Directors  
Century Metal Recycling Limited  
13/6 SSR Corporate Park,  
8<sup>th</sup> Floor, Sector 27B  
Delhi- Mathura Road  
Faridabad  
Haryana, India

Dear Sirs,

1. We have examined the attached Restated Ind AS Consolidated Summary Statements of Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) (the "Company"), its subsidiaries and associate (together referred as the "Group"), which comprise of the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Change in Equity for the nine months period ended December 31, 2017; and each of the year ended March 31, 2017, 2016, 2015, 2014 and 2013 annexed to this report (collectively, the 'Restated Ind AS Consolidated Summary Statement') and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
  - a. Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

### Management's Responsibility for the Restated Ind AS Consolidated Summary Statements

2. The preparation of the Restated Ind AS Consolidated Summary Statements, which are to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

### Auditors' Responsibilities

3. We have examined such Restated Ind AS Consolidated Summary Statements taking into consideration:

- a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated March 15, 2018, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
  - b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
  - c. the requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.
4. The Company proposes to make an initial public offer of its equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

Restated Ind AS Consolidated Summary Statements as per audited consolidated financial statements:

5. The Restated Ind AS Consolidated Summary Statements have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act and have been compiled by the management of the Company from:
- a) the audited consolidated financial statements of the Group as at and for the nine months period ended December 31, 2017, prepared in accordance with Ind AS which have been approved by the Board of Directors at their meetings held on May 08, 2018;
  - b) the audited consolidated financial statements of the Group as at and for the years ended March 31, 2017, 2016 and 2015 prepared in accordance with accounting principles generally accepted in India ("Previous GAAP" or "Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meetings held on July 14, 2017, September 30, 2016 and September 28, 2015, respectively; and
  - c) the audited consolidated financial statements of the Group as at and for the years ended March 31, 2014 and 2013 prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meetings held on August 29, 2014 and June 14, 2013; respectively.
  - d) the financial information in relation to the Company's subsidiaries and associate as listed below, which are audited by the other auditors and included in the consolidated financial statements:

Name of the entity	Name of the audit firm	Relationship	Period covered
CMR Nikkei India Private Limited	Samarth M. Surana & Co., Chartered Accountants	Subsidiary	As at and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013.



CMR Nikkei India Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017
CMR – Toyotsu Aluminium India Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017; as at and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
CTA Trading Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary of CMR – Toyotsu Aluminium India Private Limited	As at and for the nine months period ended December 31, 2017; as at and each of the years ended March 31, 2017 and 2016
Sanjivani Non Ferrous Trading Private Limited	Samarth M. Surana & Co., Chartered Accountants	Subsidiary	As at and for each of the years ended March 31, 2017, 2016 and as at and for the period of ten months ended March 31, 2015
Sanjivani Non Ferrous Trading Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017
Suvridhi Financial Services Limited	K.N. Gutgutia & Co., Chartered Accountants	Associate	As at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013
Suvridhi Financial Services Limited	M. L. Garg & Co., Chartered Accountants	Associate	As at and for the nine months period ended December 31, 2017

- e) the restated financial information in relation to the Company's subsidiaries and associate as listed below, which are audited by the other auditors and included in the restated consolidated financial statements:

Name of the entity	Name of the audit firm	Relationship	Period covered
CMR Nikkei India Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017; as at and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
CMR – Toyotsu Aluminium India Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017; as at and each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013.
CTA Trading Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary of CMR – Toyotsu Aluminium India Private Limited	As at and for the nine months period ended December 31, 2017; as at and each of the years ended March 31, 2017 and 2016.
Sanjivani Non Ferrous Trading Private Limited	K.N. Gutgutia & Co., Chartered Accountants	Subsidiary	As at and for the nine months period ended December 31, 2017; as at and each of the years ended

			March 31, 2017, 2016 and as at and for the period of ten months ended March 31, 2015
Suvridhi Financial Services Limited	K.N. Gutgutia & Co., Chartered Accountants	Associate	As at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013
Suvridhi Financial Services Limited	M. L. Garg & Co., Chartered Accountants	Associate	As at and for the nine months period ended December 31, 2017

6. For the purpose of our examination, we have relied on:

- a) Auditors' Report issued by us dated May 08, 2018 on the Ind AS Consolidated financial statements of the Group as at and for the nine months period ended December 31, 2017 as referred in Para 5(a) above;
- b) Auditors' Report issued by us dated July 14, 2017, September 30, 2016 and September 28, 2015 on the Consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2017, 2016 and 2015 respectively , as referred in paragraph 5(b) above; and
- c) Auditors' Report issued by the Group's previous auditor, K.N. Gutgutia & Co (hereinafter referred as the Previous Auditors), dated August 29, 2014 and June 14, 2013 on the Consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2014 and 2013, respectively, as referred in paragraph 5(c) above.
- d) The audits for the financial years ended March 31, 2014 and 2013 were conducted by the Group's Previous Auditors, and accordingly reliance has been placed on the restated consolidated summary statement of assets and liabilities and the restated consolidated summary statements of profit and loss and cash flow (collectively, the "2014 and 2013 Restated Consolidated Summary Statements") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors dated June 04, 2018 for each of the years ended March 31, 2014 and 2013. They have also confirmed that the 2014 and 2013 restated consolidated summary statements:
  - (i) have been made after making such adjustments and regroupings, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - (iii) as per the requirements of Ind AS do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements and do not contain any qualification requiring adjustments.
- e) As indicated in our audit reports referred to above, we did not audit the financial statements of four subsidiaries as referred in Para 5(d) and (e) above, whose financial statements reflect

total assets, total revenues and net cash inflows / (outflows) for the relevant year as tabulated below and included in the Restated Ind AS Consolidated Summary Statements:

(Rs. In millions)			
As at and for the period/ year ended	Total assets of subsidiaries	Total revenue of subsidiaries	Total net cash inflow/ (outflow) of subsidiaries
December 31, 2017	3,969.32	11,098.59	(13.96)
March 31, 2017	3,763.45	16,360.80	(57.88)
March 31, 2016	3,710.62	19,245.69	49.83
March 31, 2015	3,604.81	14,824.97	20.64

As indicated in our audit reports referred to above, we did not audit the financial statements of the associate as referred in Para 5(d) and (e) above, of which the Company's share of net profit/(Loss) of Rs. 0.10 million for the nine months period ended December 31, 2017; and Rs. 0.04 million, Rs. 0.08 million and Rs. 0.11 million for the year ended March 31, 2017, 2016, and 2015 respectively and included in the Restated Ind AS Consolidated Summary Statements.

As indicated in our audit reports referred to above, we did not audit the financial statements of Group and they are reported upon by the Previous Auditors on which reliance has been placed by us, as referred in Para 6(c) above, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) for the relevant year as tabulated below and included in the Restated Ind AS Consolidated Summary Statements:

As at and for the year ended	Total assets of Group	Total revenue of Group	Total net cash inflow/ (outflow) of Group
March 31, 2014	6,171.18	14,849.70	4.26
March 31, 2013	4,086.73	13,695.58	(32.35)

As indicated in our audit reports referred to above, we did not audit the financial statements of the associate as referred in Para 5(d) and (e) above, of which the Company's share of net profit/(Loss) of Rs. 0.10 million and Rs. (0.08) million for the year ended March 31, 2014 and 2013 respectively and included in the Restated Ind AS Consolidated Summary Statements

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(d) and (e) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Ind AS Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors, as mentioned in paragraph 5(d) and (e) of the subsidiaries and associate, have confirmed that the restated Ind AS financial information of such entities:

- i) have been made after making such adjustments and regroupings, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate; and

- iii) as per the requirements of Ind AS do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements and do not contain any qualification requiring adjustments.
- 7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Group contained in Restated Ind AS Consolidated Summary Statements, which as stated in the Annexure V(A) and VI to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V(A) and VI – Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements:
  - a) Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group including as at March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and as at December 31, 2017, March 31, 2017, 2016 and 2015, as set out in Annexure I to this report;
  - b) Restated Ind AS Consolidated Summary Statement of Profit and Losses (including other comprehensive income) of the Group for each of the years ended March 31, 2014 and 2013, examined and reported upon by the previous Auditors for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure II to this report;
  - c) Restated Ind AS Consolidated Summary Statement of Cash Flows of the Group for each of the years ended March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure III to this report;
  - d) Restated Ind AS Consolidated Summary Statement of Changes in Equity of the Group for each of the years ended March 31, 2014 and 2013, examined and reported upon by the Previous Auditors on which reliance has been placed by us and for the nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, 2016 and 2015, as set out in Annexure IV to this report;
  - e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the Previous Auditors for the years ended March 31, 2014 and 2013, we further report that the Restated Ind AS Consolidated Summary Statements of the Group,
    - i) have been made after making such adjustments and regroupings, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
    - ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

- iii) as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements;
- iv) qualification in the Auditor's report for the year ended March 31, 2017 which do not require any quantitative adjustment in the Restated Ind AS Consolidated Summary Statements is as follows:

The Group has recognised Deferred Tax Asset of Rs. 53.14 millions in terms of Accounting Standard - 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, in respect of one subsidiary, based on the future profitability projections made by the management and the profit earned during the current year. However, in our opinion, in the absence of Virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard — 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a profit before allocation to minority of Rs. 628.22 million as against the reported profit before allocation to minority of Rs. 681.35 million for the year. In respect of above matter, our audit report for the year ended March 31, 2016 was similarly qualified.

- v) qualification in the Annexure 1 to the Auditor's report for the year ended March 31, 2017 which do not require any quantitative adjustment in the Restated Ind AS Consolidated Summary Statements is as follows:

The Group's internal financial controls over recording of deferred tax assets in a subsidiary in the absence of virtual certainty and convincing evidence that this entity would have taxable profitability in the future, were not operating effectively which could potentially result in the Group recognising the higher amount of deferred tax asset.

- vi) qualification in the Auditor's report for the year ended March 31, 2016 which do not require any quantitative adjustment in the Restated Ind AS Consolidated Summary Statements is as follows:

The Group has recognised Deferred Tax Asset of Rs. 65.21 millions in terms of Accounting Standard — 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of two subsidiaries, based on the future profitability projections made by the management. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard — 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a loss before allocation to minority of Rs.61.33 millions as against the reported profit before allocation to minority of Rs.3.88 millions for the year.

- vii) qualification in the Annexure 1 to the Auditor's report for the year ended March 31, 2016 which do not require any quantitative adjustment in the Restated Ind AS Consolidated Summary Statements is as follows:

The Group's internal financial controls over recording of deferred tax assets in two subsidiaries in the absence of virtual certainty and convincing evidence that these entities would have taxable profitability in the future, were not operating effectively which could potentially result in the Group recognising the higher amount of deferred tax asset.

- viii) qualification in the Auditor's report for the year ended March 31, 2015 which do not require any quantitative adjustment in the Restated Ind AS Consolidated Summary Statements is as follows:

The Group has recognised Deferred Tax Asset of Rs.36.43 millions in terms of Accounting Standard — 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of two subsidiaries, based on the future profitability projections made by the management. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard — 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a loss before allocation to minority of Rs. 28.87 millions as against the reported profit before allocation to minority of Rs.7.56 millions for the year.

- ix) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2015, as applicable, on the Consolidated financial statements for the year ended March 31, 2015 which do not require any corrective adjustment in the Restated Ind AS Consolidated Summary Statements, are as follows:

Clause vii (a)

The Holding Company and other covered entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income—tax, sales—tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases. According to the explanations given to us, and as reported by other auditors who audited the financial statements of other covered entities, investor education and protection fund is not applicable to the Holding Company and the other covered entities.

Clause (vii) (c)

According to the records of the Holding Company, and as reported by the other auditors who audited the Financial Statements of other covered entities, the due outstanding of income tax, sales tax, wealth—tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in millions (Rs.)	Period to which amount Relates	Forum where dispute is pending
Custom Act, 1962	Demand for custom duty and penalty thereon on	4.63	2012-13	Commissioner Appeal, Customs

	misclassification of goods (excluding interest)			
Custom Act, 1962	Demand for custom duty, interest and penalty on misclassification of goods	0.52	2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and penalty on wrong availment of Cenvat credit	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilisation of Cenvat credit	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Wrong availment and utilisation of Cenvat credit, demand, penalty and fine imposed	400.13	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh
The Uttrakhand Value Added Tax Act, 2005	Wrong TIN in VAT return filed	226.59	2013-14	Deputy Commissioner, Commercial Tax Department, Uttrakhand
The Uttrakhand Value Added Tax Act, 2005	Form 11 under Act is not provided to department for concessional duty charged from customer	1.18	2012-13	Deputy Commissioner, Commercial Tax Department, Uttrakhand

#### Clause (viii)

The Holding Company and two other covered entities have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year. As reported by the auditors who audited financial statements of the other two covered entities, one of the covered entities has incurred cash losses during the financial year covered under audit, but had not incurred cash losses during the immediately preceding financial year, one other covered entity had incurred cash losses in the immediately preceding financial year but has not incurred cash losses during the year. However the accumulated losses of these two entities at the end of the financial year are less than fifty per cent of their respective net worth.

8. We have not audited any financial statements of the Group as of any date or for any period subsequent to December 31, 2017. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Group as of any date or for any period subsequent to December 31, 2017.

Other Financial Information:

9. At the Group's request, we have also examined the following restated Ind AS consolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the nine months period ended December 31, 2017 and as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013. In respect of the years ended March 31, 2014 and 2013, this information have been included based upon the examination reports submitted by the Previous Auditors, and relied upon by us:
- (i) Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII & VIII;
  - (ii) Restated Ind AS Consolidated Statement of Non-Current and Current Investments, enclosed as Annexure IX and XV;
  - (iii) Restated Ind AS Consolidated Statement of Loans, enclosed as Annexure X
  - (iv) Restated Ind AS Consolidated Statement of Other Financial Assets , enclosed as Annexure XI
  - (v) Restated Ind AS Consolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XII;
  - (vi) Restated Ind AS Consolidated Statement of Other Assets, enclosed as Annexure XIII;
  - (vii) Restated Ind AS Consolidated Statement of Inventories, enclosed as Annexure XIV;
  - (viii) Restated Ind AS Consolidated Statement of Trade Receivables, enclosed as Annexure XVI;
  - (ix) Restated Ind AS Consolidated Statement of Cash and Cash Equivalents, enclosed as Annexure XVII;
  - (x) Restated Ind AS Consolidated Statement of Other Bank Balances other than Cash and Cash Equivalents, enclosed as Annexure XVIII;
  - (xi) Restated Ind AS Consolidated Statement of Asset held for Sale, enclosed as Annexure XIX;
  - (xii) Restated Ind AS Consolidated Statement of Share Capital, enclosed as Annexure XX;
  - (xiii) Restated Ind AS Consolidated Statement of Non-current Borrowings, enclosed as Annexure XXI;
  - (xiv) Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017, enclosed as Annexure XXI and XXIV;
  - (xv) Restated Ind AS Consolidated Statement of Other financial Liabilities, enclosed as Annexure XXII;
  - (xvi) Restated Ind AS Consolidated Statement of Provisions, enclosed as Annexure XXIII;
  - (xvii) Restated Ind AS Consolidated Statement of Current Borrowings, enclosed as Annexure XXIV;
  - (xviii) Restated Ind AS Consolidated Statement of Trade Payables, enclosed as Annexure XXV;
  - (xix) Restated Ind AS Consolidated Statement of Other Liabilities, enclosed as Annexure XXVI
  - (xx) Restated Ind AS Consolidated Statement of Revenue, enclosed as Annexure XXVII;
  - (xxi) Restated Ind AS Consolidated Statement of Other Income, enclosed as Annexure XXVIII;
  - (xxii) Restated Ind AS Consolidated Statement of Cost of raw material consumed , enclosed as Annexure XXIX;



- (xxiii) Restated Ind AS Consolidated Statement of Purchase of Traded Goods , enclosed as Annexure XXX;
- (xxiv) Restated Ind AS Consolidated Statement of (Increase)/Decrease in Inventories of Finished goods and Work in Progress, enclosed as Annexure XXXI;
- (xxv) Restated Ind AS Consolidated Statement of Employee Benefit Expense, enclosed as Annexure XXXII;
- (xxvi) Restated Ind AS Consolidated Statement of Depreciation and amortisation expense, enclosed as Annexure XXXIII;
- (xxvii) Restated Ind AS Consolidated Statement of Finance Costs, enclosed as Annexure XXXIV;
- (xxviii) Restated Ind AS Consolidated Statement of Other Expenses, enclosed as Annexure XXV;
- (xxix) Restated Ind AS Consolidated Statement of Accounting Ratios, enclosed as Annexure XXXVI;
- (xxx) Consolidated Statement of Capitalisation, enclosed as Annexure XXXVII;
- (xxxi) Restated Ind AS Consolidated Summary of leases, enclosed as Annexure XXXVIII;
- (xxxii) Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments, enclosed as Annexure XXXIX;
- (xxxiii) Restated Ind AS Consolidated Statement of Related Party Transactions, enclosed as Annexure XL;
- (xxxiv) Notes to the Restated Ind AS Consolidated Summary Statement, enclosed as Annexure XLI.

10. According to the information and explanations given to us, and also as per the reliance placed on the examination reports for the year ended March 31, 2014 and March 31, 2013 submitted by the Previous Auditors, the Restated Ind AS Consolidated Summary Statements and the abovementioned restated Ind AS financial information contained in Annexures I to XLI accompanying this report, read with the basis of preparation and Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate, disclosed in Annexure VI, in accordance with Section 26 of Part I of Chapter III of the Act , the ICDR Regulations and the Guidance Note.

11. According to information and explanation given to us in our opinion, the Proforma Ind AS Restated Consolidated Summary Statements of the Group as at March 31, 2016, 2015, 2014 and 2013 and for each of the years ended March 31, 2016, 2015, 2014 and 2013 read with Summary of Significant Accounting Policies disclosed in Annexure [VI], are prepared after making proforma adjustments as mentioned in Note [VI] of Annexure [VI] and have been prepared in accordance with the ICDR Regulations and the Guidance Note . In respect of the years ended March 31, 2014 and 2013, this information have been included based upon the examination reports submitted by the Previous Auditors and relied upon by us

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Anil Gupta

Partner

Membership No: 87921

Place: New Delhi

Date: June 04, 2018

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure I: RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in millions)

Particulars	Annexure	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Assets</b>							
<b>(A) Non Current Assets</b>							
Property, plant and equipment	VII	1,879.28	1,921.51	2,017.61	2,008.26	1,407.68	918.15
Capital work-in-progress	VII	15.76	15.44	18.07	53.26	449.84	79.62
Intangible assets	VIII	26.71	26.49	16.02	4.74	5.81	3.49
Intangible assets under development	VIII	-	4.37	16.40	17.50	11.75	-
Investment in a Associate	IX(a)	2.76	2.65	2.61	2.53	2.42	2.32
<b>Financial Assets</b>							
(i) Investments	IX(b)	16.04	15.58	14.65	15.02	0.03	0.03
(i) Loans	X	14.95	15.55	17.44	14.14	14.81	8.08
(iii) Other financial assets	XI	20.61	38.18	36.36	26.64	33.84	23.93
Deferred tax assets (net)	XII	35.38	45.37	112.87	75.04	29.71	18.86
Non-Current Tax Asset		26.44	39.65	36.22	30.45	4.34	-
Other non current assets	XIII	32.95	34.24	31.52	49.47	42.15	32.80
<b>(B) Current Assets</b>							
Inventories	XIV	2,381.04	1,418.04	1,510.77	1,584.82	1,018.07	802.28
<b>Financial Assets</b>							
(i) Investments	XV	-	-	-	-	-	193.82
(ii) Trade receivables	XVI	2,221.17	1,918.65	1,788.31	1,877.40	1,941.63	1,229.46
(iii) Cash and cash equivalents	XVII	34.05	162.10	237.33	54.68	7.21	2.71
(iv) Bank balances other than (iii) above	XVIII	82.73	81.62	90.05	112.02	82.85	57.42
(v) Loans	X	23.57	16.75	13.51	31.56	7.82	12.31
(vi) Other financial assets	XI	128.67	14.78	6.66	8.57	3.24	3.31
Current Tax Asset		-	-	-	-	-	2.92
Other current assets	XIII	1,366.59	901.20	523.08	910.07	722.43	434.02
Assets held for sale	XIX	1.16	-	-	-	-	-
<b>Total</b>		<b>8,309.86</b>	<b>6,672.17</b>	<b>6,489.48</b>	<b>6,876.17</b>	<b>5,785.63</b>	<b>3,825.53</b>
<b>Equity &amp; Liabilities</b>							
<b>(C) Equity</b>							
Share capital	XX	69.86	69.86	69.86	69.86	76.54	61.23
<b>Other Equity</b>							
(i) Retained Earnings		2,130.99	1,517.43	873.53	851.14	971.94	931.27
(ii) Capital Reserve		105.14	105.14	108.29	108.29	-	-
(iii) Foreign Currency Translation Reserve		-	-	-	-	(0.04)	0.01
(iv) Share Premium		854.23	854.23	854.05	848.16	960.68	376.13
<b>Equity attributable to equity shareholders of the Parent</b>		<b>3,160.22</b>	<b>2,546.66</b>	<b>1,905.73</b>	<b>1,877.45</b>	<b>2,009.12</b>	<b>1,368.64</b>
Non Controlling Interests		486.71	394.29	300.88	243.64	137.96	129.58
<b>Total Equity</b>		<b>3,646.93</b>	<b>2,940.95</b>	<b>2,206.61</b>	<b>2,121.09</b>	<b>2,147.08</b>	<b>1,498.22</b>
<b>LIABILITIES</b>							
<b>(D) Non Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings	XXI	315.92	419.62	511.83	592.74	599.28	175.56
(ii) Other financial liabilities	XXII	1.42	1.07	1.22	2.14	1.82	2.12
Long term provisions	XXIII	23.35	20.10	13.75	13.09	10.63	7.62
Deferred tax liabilities (net)	XII	77.57	24.93	-	-	-	-
Other liabilities	XXVI	31.05	36.78	6.93	8.17	7.28	6.77
<b>(E) Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings	XXIV	2,615.54	2,029.02	2,310.85	2,924.72	2,223.23	1,544.96
(ii) Trade payables	XXV						
-Due to micro small and small enterprises		0.70	1.92	0.04	-	-	-
-Dues to others		1,149.72	782.04	1,058.58	830.90	499.56	358.68
(iii) Other financial liabilities	XXII	220.32	229.57	264.40	242.86	240.06	173.36
Current tax liabilities (net)		110.11	37.04	-	0.71	-	4.90
Short term provisions	XXIII	32.83	28.59	23.75	22.62	15.57	13.95
Other liabilities	XXVI	84.40	120.54	91.52	117.13	41.12	39.39
<b>Total</b>		<b>8,309.86</b>	<b>6,672.17</b>	<b>6,489.48</b>	<b>6,876.17</b>	<b>5,785.63</b>	<b>3,825.53</b>

Note:

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta

Partner

Membership No. 87921

Gauri Shankar Agarwala

(Chairman)

Mohan Agarwal

(Managing Director)

Place: New Delhi

Date: June 04, 2018

Pradeep Singh

(Company Secretary)

Satish Kaushik

(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure II: RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSSES

		(Rs. in millions)					
Particulars	Annexure	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>A REVENUE</b>							
Revenue from operations	XXVII	18,154.62	24,163.51	23,405.08	20,893.46	14,756.79	13,661.31
Other income	XXVIII	43.15	65.65	42.55	48.87	66.99	34.27
<b>Total revenue (A)</b>		<b>18,197.77</b>	<b>24,229.16</b>	<b>23,447.63</b>	<b>20,942.33</b>	<b>14,823.78</b>	<b>13,695.58</b>
<b>B EXPENSES</b>							
Cost of raw materials consumed	XXIX	15,072.76	17,918.49	17,971.12	16,780.58	12,085.99	10,964.23
Purchase of traded goods	XXX	27.45	1,185.61	1,315.27	480.45	34.56	29.23
(Increase)/decrease in inventories of finished goods and work in progress	XXXI	(43.06)	(68.84)	183.86	(148.68)	0.14	(73.27)
Excise duty on sale of goods		564.73	2,261.12	2,071.94	1,833.37	1,158.02	1,096.55
Employee benefits expenses	XXXII	429.69	483.48	482.47	468.90	313.56	288.71
Depreciation and amortisation expense	XXXIII	131.66	172.29	165.91	144.38	69.99	54.27
Finance costs	XXXIV	207.17	348.31	477.70	447.05	290.99	265.48
Other expenses	XXXV	786.58	909.94	789.75	989.70	827.57	738.18
<b>Total expenses (B)</b>		<b>17,176.98</b>	<b>23,210.40</b>	<b>23,458.02</b>	<b>20,995.75</b>	<b>14,780.82</b>	<b>13,363.38</b>
<b>C Restated Profit/(loss) before share of profit/(loss) of associates and tax (A-B)</b>		<b>1,020.79</b>	<b>1,018.76</b>	<b>(10.39)</b>	<b>(53.42)</b>	<b>42.96</b>	<b>332.20</b>
<b>D Share of profit/(loss) of associates (net of tax)</b>		<b>0.10</b>	<b>0.04</b>	<b>0.08</b>	<b>0.11</b>	<b>0.10</b>	<b>(0.08)</b>
<b>E Profit/(loss) before tax (C+D)</b>		<b>1,020.89</b>	<b>1,018.80</b>	<b>(10.31)</b>	<b>(53.31)</b>	<b>43.06</b>	<b>332.12</b>
<b>F Tax expenses</b>							
Current tax	XII	302.08	289.65	22.29	19.38	14.54	64.90
MAT Credit entitlement	XII	(30.50)	(25.32)	(2.47)	(13.82)	(9.39)	(36.94)
Deferred tax charge / (credit)	XII	43.82	43.37	(33.13)	(31.57)	0.60	8.41
<b>Total tax expense/ (credit)</b>		<b>315.40</b>	<b>307.70</b>	<b>(13.31)</b>	<b>(26.01)</b>	<b>5.75</b>	<b>36.37</b>
<b>G Restated Profit/(loss) for the year/ period (E-F)</b>		<b>705.49</b>	<b>711.10</b>	<b>3.00</b>	<b>(27.30)</b>	<b>37.31</b>	<b>295.75</b>
<b>H Other Comprehensive Income to be reclassified to profit or loss in subsequent periods:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>(0.05)</b>	<b>0.01</b>
Exchange differences on translation of foreign operations		-	-	-	0.04	(0.05)	0.01
<b>I Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>		<b>0.49</b>	<b>(0.76)</b>	<b>0.58</b>	<b>0.10</b>	<b>1.14</b>	<b>1.16</b>
Re-measurement gains (losses) on defined benefit plans		0.75	(1.20)	0.88	0.16	1.74	1.71
Income tax effect		(0.26)	0.44	(0.30)	(0.06)	(0.60)	(0.55)
<b>J Total Comprehensive Income for the year/period (G+ H)</b>		<b>705.98</b>	<b>710.34</b>	<b>3.58</b>	<b>(27.16)</b>	<b>38.40</b>	<b>296.92</b>
<b>(Comprising Profit and Other Comprehensive Income for the year/period)</b>							
<b>Restated Profit/(loss) for the year/period</b>							
Attributed to:							
Equity holders of the Parent		613.10	644.83	21.85	(8.18)	39.50	295.57
Non Controlling Interest		92.39	66.27	(18.85)	(19.12)	(2.19)	0.18
		<b>705.49</b>	<b>711.10</b>	<b>3.00</b>	<b>(27.30)</b>	<b>37.31</b>	<b>295.75</b>
<b>Other Comprehensive Income</b>							
Attributed to:							
Equity holders of the Parent		0.46	(0.79)	0.54	0.17	1.12	1.17
Non Controlling Interest		0.03	0.03	0.04	(0.02)	(0.03)	-
		<b>0.49</b>	<b>(0.76)</b>	<b>0.58</b>	<b>0.15</b>	<b>1.09</b>	<b>1.17</b>
<b>Total Comprehensive income for the year/period</b>							
Attributed to:							
Equity holders of the Parent		613.56	644.04	22.39	(8.01)	40.62	296.74
Non Controlling Interest		92.42	66.30	(18.81)	(19.15)	(2.22)	0.18
		<b>705.98</b>	<b>710.34</b>	<b>3.58</b>	<b>(27.16)</b>	<b>38.40</b>	<b>296.92</b>
Earnings per equity share after considering the impact of bonus issue: (nominal value per share of Rs 10 each)							
Basic	XXXVI	28.09	29.55	1.00	(0.37)	1.61	12.10
Diluted		26.25	27.61	0.94	(0.34)	1.57	12.10

Note:

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of  
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Place: New Delhi  
Date: June 04, 2018

Gauri Shankar Agarwala  
(Chairman)

Pradeep Singh  
(Company Secretary)

Mohan Agarwal  
(Managing Director)

Satish Kaushik  
(Chief Financial Officer)

(Rs. in millions)

Particulars	For the period ended 31st December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>A. Cash flow from operating activities</b>						
Profit/(Loss) before tax (as restated)	1,020.79	1,018.76	(10.39)	(53.42)	42.96	332.20
<b>A. Adjustments to reconcile profit before tax to net cash flows</b>						
Depreciation and amortization expense	131.66	172.29	165.91	144.38	69.99	54.27
Allowances for bad and doubtful receivable	-	-	-	16.65	6.66	6.65
Interest expense	171.31	309.43	349.23	386.33	236.33	237.05
Interest income	(15.26)	(27.60)	(26.93)	(39.11)	(36.50)	(20.17)
Dividend Income	-	-	-	-	(5.37)	(3.27)
Gain on fair valuation of equity shares held as investment	(0.46)	(0.93)	-	-	-	-
Unrealized foreign exchange loss/ (gain)	(6.89)	(5.26)	(11.21)	6.95	(13.31)	3.16
Amortisation of government grant	(6.54)	(2.55)	(1.29)	(3.42)	(8.88)	(8.43)
Loss on disposal of Property, plant and equipment & intangibles (Net)	2.07	10.80	5.17	1.19	1.67	1.06
Profit on sale of current investments	-	-	-	-	(0.06)	-
Profit on sale of non current investments	-	-	(0.00)	(0.01)	-	-
<b>Operating profit before working capital changes</b>	<b>1,296.68</b>	<b>1,474.94</b>	<b>470.49</b>	<b>459.54</b>	<b>293.49</b>	<b>602.52</b>
<b>Movements in working capital:</b>						
(Increase) / Decrease in trade receivables	(302.51)	(130.28)	89.05	47.64	(718.86)	(296.00)
(Increase) / Decrease in loans	(6.22)	(1.35)	14.76	(23.07)	(2.24)	-
(Increase) / Decrease in other financial assets	(108.17)	(8.43)	1.68	(4.20)	0.95	(1.65)
(Increase) / Decrease in other assets	(464.01)	(386.54)	386.64	(187.65)	(288.40)	(89.69)
(Increase)/ Decrease in inventories	(963.00)	92.72	74.05	(566.75)	(215.79)	(232.35)
(Decrease) / Increase in financial liabilities	(14.83)	(3.22)	40.96	(6.82)	14.28	4.49
(Decrease) / Increase in trade payables	366.44	(274.65)	227.34	331.34	140.85	131.76
(Decrease) / Increase in other liabilities	(37.32)	19.33	(25.57)	80.33	12.55	(8.36)
Increase in provisions	8.24	9.99	2.67	9.67	6.37	5.00
<b>Cash generated/(used) from/in operations</b>	<b>(224.70)</b>	<b>792.51</b>	<b>1,282.07</b>	<b>140.03</b>	<b>(756.80)</b>	<b>115.72</b>
Direct taxes paid (net of refunds)	(166.74)	(181.22)	(27.36)	(44.79)	(20.85)	(86.11)
<b>Net cash flow from / (used in) operating activities</b>	<b>(391.44)</b>	<b>611.29</b>	<b>1,254.71</b>	<b>95.24</b>	<b>(777.65)</b>	<b>29.61</b>
<b>B. Cash flow from investing activities</b>						
Purchase of Property, plant & equipment (including CWIP and capital advances) and intangible assets	(95.62)	(82.19)	(148.29)	(405.28)	(952.20)	(325.14)
Proceeds from sale of Property, plant & equipment	2.59	0.21	1.09	6.78	2.72	0.55
Proceeds from fixed deposits having remaining maturity of more than 3 months	66.66	22.07	31.07	1.71	-	-
Investment in fixed deposits having remaining maturity of more than 3 months	(49.17)	(15.47)	(19.02)	(23.48)	(35.34)	(36.03)
Sale of Current Investment	-	-	-	-	-	-
Sale of Non Current Investment	-	-	0.00	0.01	-	-
Sale of Mutual fund investments	-	-	-	-	193.84	-
Purchase of Mutual fund investments	-	-	-	-	-	(193.82)
Interest received	8.51	27.90	27.37	37.77	35.62	19.78
Dividend received	-	-	-	-	5.37	3.27
Purchase of non current investment	(0.00)	0.00	0.37	(14.99)	(0.00)	(0.55)
Investment in Equity shares of a company (later on become subsidiary of the Company)	-	-	-	(0.91)	-	-
Disposal of investment	-	-	-	0.12	-	-
<b>Net cash (used in) investing activities</b>	<b>(67.03)</b>	<b>(47.48)</b>	<b>(107.41)</b>	<b>(398.27)</b>	<b>(749.99)</b>	<b>(531.94)</b>
<b>C. Cash flow from financing activities</b>						
Proceeds from Share application money pending allotment	-	-	78.00	-	-	-
Proceeds from long term borrowings	197.54	93.91	100.00	168.17	509.39	47.34
(Repayment) of long term borrowings	(301.01)	(188.52)	(194.61)	(137.88)	(53.57)	-
Adjustment	-	-	-	-	-	-
Proceeds from issue of shares by subsidiary to Non controlling interest	-	1.21	-	0.96	8.70	-
Proceeds from security premium on issue of shares by subsidiary to Non controlling interest	-	22.79	-	-	7.30	139.00
Proceeds from short term borrowings of more than three months	214.29	-	-	-	-	-
Repayment of short term borrowings of more than three months	(94.72)	-	-	-	-	-
Proceeds/(Repayment) of short term borrowings	473.84	(264.31)	(600.36)	694.53	692.13	546.54
(Repayment) to Debentures Holders	-	-	-	-	-	(100.00)
Interest paid	(159.52)	(304.12)	(347.68)	(376.31)	(223.61)	(162.91)
Proceeds from Issue of Share Capital (Including Security Premium)	-	-	-	-	600.00	-
Share issue expenses	-	-	-	-	(8.20)	-
<b>Net cash from / (used in) financing activities</b>	<b>330.42</b>	<b>(639.04)</b>	<b>(964.65)</b>	<b>349.47</b>	<b>1,532.14</b>	<b>469.97</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(128.05)</b>	<b>(75.23)</b>	<b>182.65</b>	<b>46.44</b>	<b>4.50</b>	<b>(32.36)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>	<b>35.01</b>
<b>Add: Acquired pursuant to acquisition of subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.03</b>	<b>-</b>	<b>0.06</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>
<b>Components of cash and cash equivalents</b>						
Cash on hand	1.58	1.25	2.77	3.29	3.80	1.45
Balances with banks:						
- On current accounts	1.37	160.72	135.89	43.89	3.41	1.26
- Cash credit from banks	31.10	-	95.23	-	-	-
Deposits with original maturity for less than 3 months	-	0.13	3.44	7.50	-	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement:</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>	<b>2.71</b>

**Notes:**

1. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure IV: RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF CHANGE IN EQUITY

(Rs. in millions)

Particulars	Share capital				Equity attributable to equity holders					Non controlling Interest	Total equity
	Equity shares		0.001% compulsorily convertible participatory preference shares (CCPPS)		Retained earnings	Capital Reserve	Foreign Currency Translation	Share Premium	Other Equity		
	(No. of Shares)	(Amount)	(No. of Shares)	(Amount)	(Amount)	(Amount)	(Amount)	(Amount)	(Amount)		
<b>As at April 01, 2012</b>	61,00,000	61.00	-	-	634.77	-	-	366.53	1,001.30	-	1,062.30
Add: Profit/(Loss) for the Year	-	-	-	-	295.57	-	-	-	295.57	0.18	295.75
Add/(less): Other Comprehensive Income	-	-	-	-	1.16	-	0.01	-	1.17	-	1.17
<b>Total Comprehensive Income</b>					<b>296.73</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>296.74</b>	<b>0.18</b>	<b>296.92</b>
Share of Parent Company in securities premium of subsidiaries.	-	-	-	-	-	-	-	9.60	9.60	-	9.60
Adjustment in Non Controlling interest during the year (Refer note 14 of annexure XLI)	-	-	-	-	-	-	-	-	-	129.40	129.40
Bonus Shares issued	23,375	0.23	-	-	(0.23)	-	-	-	(0.23)	-	0.00
<b>As at March 31, 2013</b>	<b>61,23,375</b>	<b>61.23</b>	<b>-</b>	<b>-</b>	<b>931.27</b>	<b>-</b>	<b>0.01</b>	<b>376.13</b>	<b>1,307.41</b>	<b>129.58</b>	<b>1,498.22</b>
Add: Profit/(Loss) for the Year	-	-	-	-	39.50	-	-	-	39.50	(2.19)	37.30
Add/(less): Other Comprehensive Income	-	-	-	-	1.17	-	(0.05)	-	1.12	(0.03)	1.09
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.67</b>	<b>-</b>	<b>(0.05)</b>	<b>-</b>	<b>40.62</b>	<b>(2.22)</b>	<b>38.39</b>
Addition on issue of CCPPS	-	-	-	-	-	-	-	584.69	584.69	-	584.69
Issue of compulsory convertible participatory preference shares ('CCPPS')	-	-	-	-	-	-	-	(8.20)	(8.20)	-	(8.20)
Income tax Credit on expenses relating to issue of CCPPS	-	-	-	-	-	-	-	2.66	2.66	-	2.66
Share of Parent Company in securities premium of subsidiaries	-	-	-	-	-	-	-	5.40	5.40	-	5.40
Adjustment in Non Controlling interest during the year (Refer note 14 of annexure XLI)	-	-	-	-	-	-	-	-	-	10.60	10.60
<b>As at March 31, 2014</b>	<b>61,23,375</b>	<b>61.23</b>	<b>15,30,844</b>	<b>15.31</b>	<b>971.94</b>	<b>-</b>	<b>(0.04)</b>	<b>960.68</b>	<b>1,932.58</b>	<b>137.96</b>	<b>2,147.08</b>
Add: Profit/(Loss) for the Year	-	-	-	-	(8.18)	-	-	-	(8.18)	(19.12)	(27.30)
Add/(less): Other Comprehensive Income	-	-	-	-	0.13	-	0.04	-	0.17	(0.02)	0.15
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.05)</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>(8.00)</b>	<b>(19.14)</b>	<b>(27.15)</b>
Adjustment due to cross holding in a subsidiary	-	-	-	-	(112.75)	-	-	(112.52)	(225.27)	-	(225.27)
On consolidation created during the year	-	-	-	-	-	108.29	-	-	108.29	-	108.29
Elimination of Shares held by a subsidiary company	(6,67,680)	(6.68)	-	-	-	-	-	-	-	-	(6.68)
Adjustment in Non Controlling interest during the year (Refer note 14 of annexure XLI)	-	-	-	-	-	-	-	-	-	<b>124.82</b>	<b>124.82</b>

<b>As at March 31, 2015</b>	<b>54,55,695</b>	<b>54.55</b>	<b>15,30,844</b>	<b>15.31</b>	<b>851.14</b>	<b>108.29</b>	<b>-</b>	<b>848.16</b>	<b>1,807.59</b>	<b>243.64</b>	<b>2,121.09</b>
Add: Profit/(Loss) for the Year	-	-	-	-	21.85			-	21.85	(18.85)	3.00
Add/(less): Other Comprehensive Income	-	-	-	-	0.54			-	0.54	0.04	0.58
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.39</b>				<b>22.39</b>	<b>(18.81)</b>	<b>3.58</b>
Adjustment in Non Controlling interest during the year (Refer note 14 of annexure XLI)	-	-	-	-	-	-	-	-	-	76.05	76.05
Securities premium adjusted to Non Controlling interest during the year	-	-	-	-	-	-	-	(0.34)	(0.34)	-	(0.34)
Share of Parent Company in securities premium of subsidiaries	-	-	-	-	-	-	-	6.23	6.23	-	6.23
<b>As at March 31, 2016</b>	<b>54,55,695</b>	<b>54.55</b>	<b>15,30,844</b>	<b>15.31</b>	<b>873.53</b>	<b>108.29</b>	<b>-</b>	<b>854.05</b>	<b>1,835.87</b>	<b>300.88</b>	<b>2,206.61</b>
Add: Profit/(Loss) for the Year	-	-	-	-	644.83	-	-	-	644.83	66.27	711.10
Add/(less): Other Comprehensive Income	-	-	-	-	(0.79)	-	-	-	(0.79)	0.03	(0.76)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644.04</b>	<b>66.30</b>	<b>710.34</b>
Adjustment on account of change in Percentage holding of Non Controlling interest	-	-	-	-	(0.14)	(3.15)	-	0.18	(3.10)	-	(3.10)
Adjustment in Non Controlling interest during the year (Refer note 14 of annexure XLI)	-	-	-	-	-	-	-	-	-	27.11	27.11
<b>As at March 31, 2017</b>	<b>54,55,695</b>	<b>54.55</b>	<b>15,30,844</b>	<b>15.31</b>	<b>1,517.43</b>	<b>105.14</b>	<b>-</b>	<b>854.23</b>	<b>2,476.81</b>	<b>394.29</b>	<b>2,940.95</b>
Add: Profit/(Loss) for the Year	-	-	-	-	613.10	-	-	-	613.10	92.39	705.49
Add/(less): Other Comprehensive Income	-	-	-	-	0.46	-	-	-	0.46	0.03	0.49
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>613.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>613.56</b>	<b>92.42</b>	<b>705.98</b>
<b>As at December 31, 2017</b>	<b>54,55,695</b>	<b>54.55</b>	<b>15,30,844</b>	<b>15.31</b>	<b>2,130.99</b>	<b>105.14</b>	<b>-</b>	<b>854.23</b>	<b>3,090.37</b>	<b>486.71</b>	<b>3,646.93</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

**For and on behalf of the Board of Directors of**

As per our report of even date

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**For S. R. Batliboi & Co. LLP**

**Chartered Accountants**

**ICAI Firm Registration Number - 301003E/E300005**

**Gauri Shankar Agarwala**  
(Chairman)

**Mohan Agarwal**  
(Managing Director)

**per Anil Gupta**

Partner

Membership No: 87921

**Pradeep Singh**  
Company Secretary

**Satish Kaushik**  
(Chief Financial Officer)

Place: New Delhi

Date: June 04, 2018

## **Annexure V – Restated IND AS CONSOLIDATED ACCOUNTING POLICIES**

### **1. Corporate information**

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) ('the Parent Company') is a company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The consolidated financial statements relate to the parent company, its subsidiaries and its associate (Collectively hereinafter referred to as "Group").

The registered office of the parent Company is situated at W-5/16 Western Avenue, Sainik Farm, New Delhi – 110062.

The Group is engaged in the business of manufacturing and selling of aluminium based die cast alloys and zinc alloys in India.

The status of the Parent Company has been changed from Private Limited to Public Limited as per the approval received from Registrar of Companies, Delhi on April 02, 2018 and consequently the name of the Parent Company has been changed to Century Metal Recycling Limited.

These Restated Consolidated Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company in their meeting held on June 04, 2018.

### **2. Basis of preparation**

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Ind AS Consolidated Summary Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Changes in Equity and Restated Ind AS Consolidated Summary Statement of Cash Flows for the period ended December 31, 2017 and year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (hereinafter collectively referred to as "Restated Ind AS Consolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

These Restated Ind AS Consolidated Financial Information have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. These Restated Ind AS Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Ind AS Consolidated Summary Statements have been compiled from:

- a) Audited Special Purpose Interim Consolidated Financial Statements of the Group for the period ended December 31, 2017 which includes the comparative IND AS financial statements as at and for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended but they do not contain corresponding figures for the previous period as required by Ind AS notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and other relevant provisions of the Act, as applicable.
- b) Proforma Consolidated Ind AS financial statements ("Proforma CFS") as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. These Proforma CFS have been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note").

For all the periods up to and including the year ended March 31, 2017, Group prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 ("Indian GAAP" or Previous GAAP). The Group is covered under Phase 2 of Ind AS and is complied with Ind AS for the accounting periods beginning April 01, 2017, with the comparatives for the periods ending on March 31, 2017 and transition date of April 01, 2016.

There may be a possibility that the Audited Special Purpose Interim Consolidated Financial Statements may require adjustments on account of assumptions that the management has made about the standards, interpretations expected to be effective and the



policies expected to be adopted when the Company prepares its first full set of Ind AS Consolidated financial statements as at and for the year ended March 31, 2018.

The Group has also presented a reconciliation of proforma adjustment from previous GAAP to Ind AS for shareholders fund as at April 01, 2012 and of profit for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

For the purpose of Proforma CFS, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2016) while preparing Consolidated Proforma Financial Information for the year ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and accordingly suitable restatement adjustments in the accounting heads have been made in the Consolidated Proforma Financial Information.

The Consolidated Financial Information for the period ended 31 December 2017 and year ended 31 March 2017 and Proforma CFS have been prepared on a historical cost convention, except for certain financial assets and liabilities those have been measured at fair value (refer accounting policy regarding financial instruments).

### **3. Principles of consolidation**

The restated consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the interim consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the interim consolidated financial statements to ensure conformity with the group's accounting policies.

The restated consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the group i.e. December 31, 2017.
- b) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the interim consolidated financial statements at the acquisition date.
- c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- d) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).
- e) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their

accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **4. Investment in Associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

#### **5. Summary of significant accounting policies**

The accounting policies, as set out below, have been consistently applied, by the Group, to all the periods/years presented in the financial statements.

##### **5.1 *Current versus non-current classification***

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

##### **5.2 *Foreign currencies***

The Group financial statements are presented in INR, which is also the Group's functional currency.

## Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 5.3 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### **5.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, rebates etc., taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty

However, sales tax/ value added tax (VAT)/Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following recognition criteria described below must also be met before revenue is recognised

##### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances, discounts and rebates.

##### **Sale of services**

Revenue from job work in process is recognised by reference to the stage of completion. Stage of completion is measured by reference to job work in process at the year end and is recognized at measured value of conversion charges as increase\ decrease in job work in process. The Group collects service tax/ Goods and Services Tax on job work on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

##### **Interest income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

##### **Export incentive**

Export incentive under the EPCG scheme are accounted in the year of export of goods considering certainty in the collection of export proceeds.

##### **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

#### **5.5 Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **5.6 Income Taxes**

The income tax expense comprise of current and deferred income tax.

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in 'OCI' or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group companies restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### **Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a period/year is charged to the statement of profit and loss as current tax for the period/year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group companies recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group companies reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **5.7 Non-Current Asset held for sale:**

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

### **5.8 Property, plant and equipment ('PPE')**

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

Capital work in progress and PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, freehold land is carried at historical cost and other items of PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When

an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised.

The expenditures those are incurred after the item of PPE is available for use, such as repairs and maintenance, are charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where such expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is provided on straight line basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below except for certain components of plant and machinery useful lives of which has been taken as 8-9 years based on independent assessment of professionals undertaken by Group's management.

Asset	Useful life
Office Building	60 years
Factory Buildings	30 years
Roads	05 years
Plant and equipment	10-25 years
Furniture and fixtures	10 years
Office equipment	05 years
Vehicles	08 years
Computers	03 years

Lease hold land is amortized on straight line basis over the useful life of leasehold land. Lease hold improvements are depreciated on a straight line basis over the useful life of asset or the unexpired lease period ranging from 2.5 to 10 years, whichever is lower.

Individual items of property, plant and equipment costing upto Rs 10,000/- is charged to the statement of profit and loss in the year in which it is purchased or acquired.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset.

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

## Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the previous carrying value of all its property, plant and equipment and measured as per the previous GAAP and use that carrying value except accounting for Government grant and Transaction cost of long term borrowings as the deemed cost of the property, plant and equipment and capital work-in-progress.

The cost of capital work-in-progress is presented separately in the balance sheet.

## 5.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license not exceeding six years from the date when the asset is available for use.

The amortisation expense on intangible assets is recognised in the statement of profit and loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each balance sheet date. If expected useful life is significant different from previous assessment, the change in useful life is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the previous carrying value of all its intangible assets recognised and measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **5.10 *Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **5.11 *Impairment of non-financial assets***

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

### **5.12 *Leases***

The determination of whether an arrangement is a lease is based on whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

#### **Group as a lessee**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.



Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease.

Lease rental payments under operating leases are generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

## **5.13 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on First in first Out (FIFO) basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **5.14 Provisions**

### **General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

## **5.15 Contingent Liabilities and assets**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed in the financial statements only when an inflow of economic benefits is probable.

#### **5.16 Employee benefits**

The Group's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans and compensated absences. The employee benefits are recognised in the period/year in which the associated services are rendered by the Group employees.

##### **i) Defined contribution plans – Provident fund**

###### **Provident fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards provident fund which are defined contribution plans. The Group has no obligation, other than the contribution payable to the funds. The Group recognises contribution payable to the fund scheme in the statement of profit and loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

##### **ii) Defined benefit plans - Gratuity**

###### **Gratuity**

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; this benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

##### **iii) Other employee benefits**

The employees can carry forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation during termination of employment.

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss.

The Group presents the leave liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **5.17 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### **Subsequent measurement**

#### **i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

#### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

#### **iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

#### **iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method or at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the criteria under Ind AS 109 are satisfied. All other financial liabilities are subsequently measured at amortised cost.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

#### **a) Borrowings**

On initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of the financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

### **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **5.18 Derivatives**

The Group uses derivative financial instruments such as forward exchange contracts to hedge risks associated with foreign currency fluctuations.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### **5.19 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### **5.20 Cash dividend**

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **5.21 Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating decision maker reviews business performance at an overall Group level as one segment "Aluminium ingots and Zinc ingots".

### **5.22 Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period/year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period/year is adjusted for events such as bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period/year attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

### **5.23 Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in Annexure XVII.

## **6. Significant accounting judgements, estimates and assumptions**

The preparation of the interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### ***Judgements***

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### **a) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### **b) Revenue recognition and presentation**

The Group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that they operating on a principal to principal basis in all its revenue arrangements.

### ***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **a) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

#### **b) Defined benefit plans (gratuity benefits)**

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**c) Allowance for uncollectible trade receivables**

Trade receivables generally do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

**d) Property, plant and equipment**

Refer note 5.8 for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Annexure VII.

**e) Intangible assets**

Refer note 5.9 for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in Annexure VIII.

**f) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**7. Standards issued but not effective till March 31, 2018**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**a) Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1st April, 2018. The Group will adopt the new standard on the required effective date. The Group is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure V (A) : CONSOLIDATED IND AS STATEMENT OF RECONCILIATIONS AS PER PREVIOUS GAAP AND IND AS

- I Reconciliation of total equity as per previous GAAP and total equity as per Ind AS as at March 31, 2017, March 31, 2016, March 31, 2015, as at March 31, 2014, March 31, 2013 and April 01, 2012:

(Rs. in millions)						
Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)	As at April 01, 2012 (Proforma)
<b>Restated Equity (including share capital and Non controlling interest ) as per previous GAAP (Refer annexure VI)</b>	<b>2,895.55</b>	<b>2,198.29</b>	<b>2,109.28</b>	<b>2,145.42</b>	<b>1,496.89</b>	<b>1,060.63</b>
<b>Add/(Less):</b>						
Cumulative depreciation expense on government grant related to EPCG (Refer Note 1 below)	(2.11)	(1.38)	(0.86)	(0.17)	(0.02)	-
Cumulative amount of government grant fulfilled related to EPCG (Refer Note 1 below)	13.82	13.82	13.04	1.24	-	-
Cumulative interest expense on unwinding of interest free government loan (Refer Note 2 Below)	(46.23)	(43.81)	(42.48)	(38.68)	(28.58)	(19.66)
Amortisation of deferred grant on interest free borrowings from government (Refer Note 2 Below)	46.71	44.16	42.87	39.45	30.57	22.15
Gain/(Loss) on fair valuation of investment in equity shares. (Refer Note 3)	0.44	(0.49)	(0.12)	-	-	-
Reversal of Rent Equalisation (Refer Note 4 below)	5.17	6.65	6.61	1.74	-	-
Derivative instruments - Forward Contracts (Refer Note 5 below)	(0.70)	(3.78)	(0.55)	(0.88)	-	-
Cumulative Transaction cost on unwinding of Loans (Refer Note 6 below )	(3.91)	(2.53)	(0.88)	(0.18)	-	-
Deferred tax impact-Asset/ (Liability) (Refer Note 8 below)	(4.36)	(4.32)	(5.82)	(0.86)	(0.64)	(0.81)
Prior Period Adjustments (Refer Note 7 below)	36.56	-	-	-	-	-
<b>Restated Equity as per Ind AS</b>	<b>2,940.95</b>	<b>2,206.61</b>	<b>2,121.09</b>	<b>2,147.08</b>	<b>1,498.22</b>	<b>1,062.31</b>

**II Reconciliation of profit after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013**

Particulars	(Rs. in millions)				
	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Impact on Summary statement of profit and loss, as restated (Annexure II)</b>					
Restated Net Profit/(Loss) after tax before allocation to minorities as per previous GAAP (Refer Annexure VI - (Part A) )	673.27	7.09	(37.33)	38.08	297.27
<b>Add/(Less) :</b>					
Depreciation on EPCG (Refer Note 1 below)	(0.73)	(0.52)	(0.69)	(0.15)	(0.02)
Amount of deferred government grant fulfilled related to EPCG (Refer Note 1 below)	-	0.77	11.81	1.24	-
Amortisation of deferred government grant related to interest free loan (Refer Note 2 Below)	2.55	1.29	3.42	8.88	8.43
Interest on unwinding of Government loan (Refer Note 2 Below)	(2.42)	(1.33)	(3.80)	(10.09)	(8.93)
Gain/(Loss) on fair valuation of investment in equity shares. (Refer Note 3)	0.93	(0.37)	(0.12)	-	-
Reversal of Rent Equalisation (Refer Note 4 below)	(1.48)	0.04	4.87	1.74	-
Derivative instruments - Forward Contracts (Refer Note 5 below)	3.08	(3.23)	0.34	(0.88)	-
Amortisation of Transaction cost of Loans (Refer Note 6 below)	(1.38)	(1.64)	(0.70)	(0.18)	-
Prior Period Adjustments (Refer Note 7 below)	36.56	-	-	-	-
<b>Total Adjustment - add / (less)</b>	<b>37.11</b>	<b>(4.99)</b>	<b>15.13</b>	<b>0.54</b>	<b>(0.52)</b>
Tax Rate of Parent Company	34.61%	34.61%	33.99%	33.99%	32.45%
Deferred tax impact on above adjustments -Asset/ (Liability) (Refer Note 8 below)	(0.04)	1.49	(4.95)	(0.22)	0.17
<b>Restated profit/(loss) after tax as per Ind AS</b>	<b>710.34</b>	<b>3.58</b>	<b>(27.16)</b>	<b>38.40</b>	<b>296.92</b>

**Notes:**

- Under the previous GAAP, Government grant related to specific property, plant and equipment (PPE) in the nature of capital contribution has been netted off from the relevant asset. Under Ind AS, Government grants related to assets, including non-monetary grants at fair value, are required to be presented in the balance sheet by setting up the grant as deferred income in the liability side of balance sheet. The grant set up as deferred income is recognised in statement of profit or loss on a systematic basis. Accordingly, unamortised Government grants till the date of transition is recognized as deferred government grant and is amortized over the useful life of assets.
- The Parent Company has received interest free loan from Government of Haryana in the form of grant. Under previous GAAP, the same is recognised at its transaction value. However, Ind AS requires such financial liabilities to be recognised on initial recognition at its fair value. This led to decrease in borrowing and corresponding recognition of deferred government grant of equivalent amount. The government grant is recognised as income on straight line basis and correspondingly interest expense is recognised on systematic basis.
- Under previous GAAP, investment made in equity shares has been shown as Non current investments and were valued at cost less permanent diminution in value of investment where as under Ind AS, such investments has been classified and measured as fair value through profit and loss at each reporting date.
- As per the previous GAAP, lease agreement with periodic increase in lease rentals were required to be straight lined and charged equally into the statement of profit and loss. As per Ind AS 17 'Leases', if the payments to the lessor are structured to increase in line with the expected general inflationary trend to compensate towards inflationary cost increase, lease rentals need not to be straight lined, instead it should be charged off to the statement of profit and loss as per the agreement. The Parent Company has reversed the rent equalisation reserve.
- The Group has entered into derivative contracts to hedge against foreign exchange exposure arising from transactions like import of goods, repayment of loans and payment of expenses. Under Indian GAAP, Group is amortizing the premium payable on such contracts over the life of contract and restating the value of contract as at the reporting date. However, under Ind AS, Group is recognizing such contracts at fair value as at reporting date, any change in value to be recognized through statement of profit and loss.
- Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and are capitalised as a Pre operative expense. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability (i.e. Borrowings) and capitalised to Property, plant and equipment till the date assets was put to use and charged to profit or loss thereafter using the effective interest method.
- One of the subsidiary company has received favourable order from the custom department in respect of custom duty loading case in the financial year 2016 -17, of Rs 36.56 millions (net of tax of Rs.13.59 millions). The said subsidiary has passed on the said credit to the Parent Company and a subsidiary company (since that subsidiary company supplied raw materials to the Company) in the current year.
- Deferred tax has been computed on above Ind AS adjustments made. The same has been adjusted in the respective years to which the adjustments relate.



### III. First-time adoption of Ind AS

This note explains exemptions availed by the Group in restating its Previous GAAP financial statements, including the balance sheet as at April 01, 2012 and the proforma financial statements as at and for the year ended March 31, 2013, 2014, 2015, 2016 and 2017

**Exemptions applied:**

**1. Mandatory exceptions:**

**a) Estimates**

The estimates at April 01, 2012 and at March 31, 2013, 2014, 2015, 2016 and 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies)

Ind AS 101 treats the information received after the date of transition to Ind ASs as non-adjusting events. The entity shall not reflect that new information in its opening proforma Ind AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

**b) De-recognition of financial assets:**

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**c) Classification and measurement of financial assets:**

**i. Financial Instruments: (Security deposits received and security deposits paid):**

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

**d) Impairment of financial assets: (Trade receivables and other financial assets)**

At the date of transition to Ind AS, the Group has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

**e) Government loan at below market rate of interest - Government grant**

Ind AS 101 requires a first-time adopter to apply the requirements of Ind AS 109, Financial instruments and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans at below market rate of interest obtained after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the requirements of Ind AS retrospectively to any government loan originated before the date of transition to Ind AS provided that the information needed to do so had been obtained at the time of initially accounting for that loan. Consequently, if the Group did not under its previous GAAP recognise and measure the government loan at below market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS the carrying amount of the loan in the opening Ind AS balance sheet. The Group has applied the above requirement on the loans outstanding as at the date of transition and prospectively for all such loans.

**f) EPCG – Deferred government grant**

Under the previous GAAP, government grant related to EPCG license has been regarded as a capital grant. Under Ind AS, the grant is considered to be in the nature of income grant and to be recognized over the period when export obligations under EPCG scheme are met. Accordingly, as on transition the export obligations has been fulfilled hence same has been adjusted in Retained earnings.

**g) Other comprehensive income**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income

**h) Statement of cash flows**

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

**2.Optional Exemptions;**

**Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:**

**a) Property, plant and equipment and Intangibles**

Freehold land, plant and equipment, leasehold improvement, office equipment, computers, furniture and fixtures, intangible assets were carried in the balance sheet prepared in accordance with Previous GAAP on the basis of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Group has elected to regard those values of assets as deemed cost at the transition date. The Group has elected to carry the previous GAAP value as deemed cost for the Property, plant and equipment and intangible assets except accounting for Government grant.

**b) Investments in subsidiaries**

The Group has decided to apply previous GAAP carrying amount of its investment in subsidiaries as deemed cost as on the date of transition to Ind AS.

**c) Designation of previously recognised financial instruments**

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in preference shares of subsidiary.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure VI (PART A): NOTES ON MATERIAL ADJUSTMENTS**

I Below mentioned is the summary of results of adjustments made in the audited consolidated financial statements of the respective years and its impact on restated consolidated summary statement of profit and loss and restated consolidated summary statement of assets and liabilities.

(Rs. in millions)						
Particulars	For the period ended December 31, 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Impact on Summary statement of profit and loss, as restated (Annexure II)</b>						
Profit/(Loss) after tax before allocation to Non controlling interest (as per audited financial statements under previous GAAP)	711.40	681.35	3.88	7.56	18.43	305.70
<b>Restatement adjustments :</b>						
Subsidy from Commercial tax Department related to earlier year (Refer Note 1 below)	-	(1.78)	0.01	0.48	(0.95)	2.24
Depreciation impact on account of componentisation (Refer Note 2 below)	2.97	3.96	4.03	(5.64)	(3.19)	(2.73)
Depreciation charge related to earlier years (Refer Note 3 below)	-	-	4.70	(4.70)	-	-
Depreciation reversal related to earlier years (Refer Note 4 below)	-	-	-	(20.89)	5.60	4.57
Unclaimed liabilities written back (Refer Note 5 below)	(1.03)	(4.09)	(2.24)	0.73	1.91	0.82
Exceptional item - depreciation reversal (Refer Note 6 below)	-	-	-	-	(13.51)	4.00
Advance written off (Refer Note 7 below)	-	-	2.15	(1.69)	0.39	0.57
Prior period expense (Refer Note 8 below)	-	1.27	-	-	(1.27)	0.65
Provision for doubtful debts (Refer Note 9 below)	16.65	-	-	(3.34)	(6.66)	(6.65)
Bad debts (Refer Note 10 below)	5.11	(1.11)	(2.12)	4.98	0.81	(6.28)
Corporate guarantee commission (Refer Note 12 below)	-	11.52	(4.89)	(6.63)	-	-
Reversal of gratuity expense (Refer Note 13 below)	-	(1.00)	1.00	-	-	-
Sales tax refund for earlier years (Refer Note 14 below)	-	(3.49)	-	-	3.49	-
Provision for diminution in value of investments (Refer Note 15 below)*	-	-	-	-	(0.00)	0.00
Adjustments of Associate profit (Refer Note 15 below)	-	-	-	(0.02)	0.10	(0.08)
Pre-operative expenses/ CWIP written off (Refer Note 16 below)	8.13	-	-	(8.13)	-	-
<b>Total Adjustment - add / (less)</b>	<b>31.83</b>	<b>5.28</b>	<b>2.64</b>	<b>(44.85)</b>	<b>(13.28)</b>	<b>(2.89)</b>
Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
Income Tax Adjustment for earlier years (Refer Note 17 below)	1.26	(0.01)	0.09	(1.50)	0.16	-
Income tax on expense debited to securities premium account (Refer Note 20 below)	-	-	-	-	(2.66)	-
MAT Credit Entitlement adjustment for earlier years (Refer Note 17 below)	-	(0.34)	(1.22)	5.24	0.82	0.10
Deferred Tax Adjustments for earlier years (Refer Note 17 and 18)	6.89	(11.20)	2.32	(19.10)	30.40	(1.99)
Deferred tax impact-Asset/ (Liability) (Refer Note 11 and 19 below)	(10.99)	(1.81)	(0.62)	15.32	4.21	(3.65)
<b>Restated profit/(loss) after tax</b>	<b>740.39</b>	<b>673.27</b>	<b>7.09</b>	<b>(37.33)</b>	<b>38.08</b>	<b>297.27</b>

\* represents Rs. 5,000/-

**Notes:**

- During the years ended 31 March 2017, 2016, 2015, and 2014, the Parent Company had booked subsidy income related to earlier years, the income has now been reflected in respective years for which the amount relates to.
- During the year ended 31 March 2016, the Parent Company had adopted component accounting as required under Schedule II to the Companies Act, 2013. The Parent Company was previously not identifying components of PPE separately for depreciation purposes; rather, a single useful life/depreciation rate was used to depreciate each item of PPE. Hence, for material items for the purpose of reinstatement, the impact of depreciation on earlier years has been computed and adjusted.
- Depreciation charged for the year ended 31 March 2016 included Rs.4.70 millions for earlier years on account of correction in the useful life of roads (included in buildings) Since, these were relating to earlier years, the depreciation expense has now been reflected in respective years for which the amount relates to.
- Depreciation expense for the year ended March 31, 2015 was net of reversal of excess depreciation (net) of Rs. 20.89 millions of earlier years on account of correction in depreciation rates. Since, these were relating to earlier years, the reversals have now been reflected in respective years for which the amount relates to.
- During the period ended December 31, 2017 and years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Parent Company had reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the liability was created.
- Exceptional item for the year ended March 31, 2014 consists of depreciation reversal of Rs. 13.51 millions of earlier years on account of correction in depreciation rates due to correction in working shifts. Since, these were relating to earlier years, the reversals has now been reflected in respective years for which the amount relates to.
- For the purpose of restatement, advances written off have been appropriately adjusted in the respective year to which they pertains.

- 8) For the purpose of restatement, Prior period expenses have been appropriately adjusted in the respective year to which they pertain.
- 9) During the period ended December 31, 2017 and year ended March 31, 2015, the Parent Company had created provision for doubtful debts which were related to earlier years. Since these amount related to sales made in earlier years, now the same have been appropriately adjusted to respective years.
- 10) During the period ended December 31, 2017 and years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Group had written off the amount receivable from Trade Receivable which balances were related to earlier years. Since these amount related to sales made in earlier years, now the same have been appropriately adjusted to respective years.
- 11) During the year ended 31 March 2013, the Parent Company had accounted for interest expense on Debentures related to the year 2011-12 under the head "Exceptional item" as the provision of the respective interest expense was not made in the respective year. The said amount was adjusted from surplus in the statement of profit and loss, however deferred tax credit on aforesaid amount was adjusted from that year's income tax charge instead of surplus in the statement of profit and loss. Since, the same was related to the year 2011-12, hence the interest expense has now been reflected in respective years for which the amount relates to.
- 12) Reversal of corporate guarantee commission in Other Expenses for the year ended 31 March 2017 included Rs. 11.52 millions for earlier years on account of excess commission charged in earlier years. Since, these were relating to earlier years, the reversal has now been reflected in respective years for which the amount relates to.
- 13) Gratuity expense for the year ended March 31, 2017 was net of gratuity liability written back. Since, this relates to earlier years, hence the reversal has now been reflected in respective year for which the amount relates to.
- 14) During the year ended March 31, 2017, the Parent Company had recognised the income amounting to Rs. 3.49 millions in respect of Sales tax refund related to earlier years. As the amount related to the period prior to March 31, 2017, the same has been adjusted in the respective year.
- 15) During the year ended March 31, 2013, Suvridhi Financial Services Limited has become associate of the Group. Accordingly provision created against such investments has been reversed and Profits of the associate has been adjusted in the value of investments.
- 16) During the period ended December 31, 2017, the Parent Company had written off the amount of Rs. 8.13 millions pertaining to preoperative expense and Capital work in progress which balances were related to earlier years. Since these amount are related to earlier years, now the same have been appropriately adjusted to respective years.
- 17a) The Parent Company had filed its income tax return for the year ended 31 March 2016 in the year ended 31 March 2017 resulting in determination of lower tax liability. Also, income tax return for the year ended 31 March 2015 was filed in the year ended 31 March 2016 resulting in determination of lower tax liability. These were recorded in the years in which returns were filed. However, for the purpose of restated statement of profits and losses and the restated statement of assets and liabilities, the current tax, deferred tax adjustments and MAT Credit Entitlement appearing in the financial statements for the relevant financial years have been appropriately adjusted in the respective years to which they pertain.
- 17b) During the year ended 31 March 2017, two of the subsidiaries had current tax expense related to earlier years on the basis of identification of additional tax liability. Accordingly, the same has been adjusted in the respective year.
- 18a) During the year ended 31 March 2014, the Parent Company started to create deferred tax on Haridwar unit and expense of the same was shown under the head "Deferred tax adjustment related to earlier years". Since, the amount relate to the year prior to 2013-14, hence the same has now been reflected in respective years to which the amount relates to.
- 18b) During the years ended March 31, 2017 and 2015, two of the subsidiaries have charged/(credited) deferred tax, which relates to earlier years. Since, these amounts related to earlier years, the same has now been reflected in respective years for which the amount relates to.
- 19) Deferred tax has been computed on adjustments made. For the purpose of restatement, the same has now been adjusted in the respective years to which the adjustments relate.
- 20) During the year ended March 31, 2014, the Parent Company has taken income tax credit of Rs. (2.66) millions in profit and loss account on account of expenses which were directly debited to securities premium account. Accordingly, income tax credit on such expenses has been added back to Securities Premium account.

**II Reconciliation between the audited total reserves and surplus (including share capital) and total equity as at 1 April 2012 as at 1 April 2012, is given below:**

Particulars	(Amounts in Rs. millions)
<b>Equity (including share capital and Non controlling interest) as at 1 April 2012 as per audited financials</b>	<b>1,075.07</b>
Adjustments:	
Depreciation impact on account of componentisation (Refer Note 2 above)	(5.47)
Interest on Debentures (Refer Note 11 above)	(14.11)
Depreciation reversal related to earlier years (Refer Note 4 above)	10.72
Advances written off (Refer Note 7 above)	(1.42)
Bad debts (Refer Note 10 above)	(1.38)
Prior period expense (Refer Note 8 above)	(0.65)
Unclaimed liabilities written back (Refer Note 5 above)	3.91
Exceptional Item - depreciation reversal (Refer Note 6 above)	9.51
Reversal of provision for diminution in value of investments	0.02
MAT Credit Entitlement adjustment (Refer Note 17 above)	(4.60)
Deferred Tax Adjustments for earlier years (Refer Note 18 above)	(10.61)
Deferred Tax Assets (Refer Note 19 above)	(0.36)
<b>Restated Equity (including share capital and Non controlling interest) as at 1 April 2012, as per previous GAAP (Refer Annexure V)</b>	<b>1,060.63</b>

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure VI (PART B): NON ADJUSTING ITEMS**

Audit qualifications for the respective years, which do not require any adjustments in the restated Consolidated financial information are as follows:

**Annexure to auditor's report for the financial year ended March 31, 2017**

- 1) The Group has recognised Deferred Tax Asset of Rs. 53.14 millions in terms of Accounting Standard- 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, in respect of one subsidiary, based on the future profitability projections made by the management and the profit earned during the current year. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard - 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a profit before allocation to minority of Rs. 628.22 millions as against the reported profit before allocation to minority of Rs. 681.35 millions for the year.\*

**Annexure to auditor's report for the financial year ended March 31, 2016**

- 1) The Group has recognised Deferred Tax Asset of Rs. 65.21 millions in terms of Accounting Standard- 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of two subsidiaries, based on the future profitability projections made by the management. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard- 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a loss before allocation to minority of Rs.61.32 millions as against the reported profit before allocation to minority of Rs. 3.88 millions for the year.\*

**Annexure to auditor's report for the financial year ended March 31, 2015**

- 1) The Group has recognised Deferred Tax Asset of Rs. 36.43 millions in terms of Accounting Standard- 22, "Accounting for Taxes on Income", notified pursuant to Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of two subsidiaries, based on the future profitability projections made by the management. However, in our opinion, in the absence of virtual certainty and convincing evidence of the aforesaid projections in terms of Accounting Standard- 22, no deferred tax asset should be recognized. Had the impact of the same been considered, there would be a loss before allocation to minority of Rs. 28.87 millions as against the reported profit before allocation to minority of Rs. 7.58 millions for the year.\*

\*The above said qualifications in respect of deferred tax assets have not been adjusted since the Company has prepared restated consolidated financial information under IND AS. IND AS -22 requires a company to recognise deferred tax assets based on a reasonable certainty instead of virtual certainty under the previous GAAP.

**2) Clause (vii)(a)**

Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Cess and Other Material Statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

**3) Clause (vii)(c)**

According to the records of the holding Company, and as reported by the other auditors who audited the Financial Statements of other covered entities, the dues outstanding of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in millions)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Customs Act, 1962	Demand for Custom duty and penalty thereon on misclassification of goods (excluding interest)	4.63	2012-13	Commissioner, Appeal, Customs
Customs Act, 1962	Demand for Custom duty, interest and penalty on misclassification of goods	0.52	2013-14	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Disallowance of Cenvat credit and demand of interest and Penalty on wrong availment of Cenvat credit.	11.05	2012-13	Additional Commissioner, Faridabad
Central Excise Act, 1944	Imposition of Excise Duty, Interest, Penalty and Fine on goods and wrong availment and utilization of Cenvat credit.	12.09	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Wrong availment and utilization of Cenvat credit, demand, penalty and fine imposed	400.13	2008-09	Custom Excise & Service Tax Appellate Tribunal
The Haryana Value Added Tax Act, 2003	Credit of VAT on DEPB license purchased denied by department	24.63	2007-08 and 2008-09	Sales Tax Appellate Tribunal, Chandigarh
The Uttarakhand value Added Tax Act, 2005	Wrong TIN in VAT return filed	226.59	2013-14	Deputy Commissioner, Commercial Tax Department, Uttarakhand
The Uttarakhand value Added Tax Act, 2005	Form 11 under Act is not provided to department for concessional duty charged from customers	1.18	2012-13	Deputy Commissioner, Commercial Tax Department, Uttarakhand

**Annexure VI (PART C): MATERIAL REGROUPING**

Appropriate adjustments have been made in the Restated consolidated summary statement of Asset and Liabilities, Restated consolidated summary statement of Profit and Loss and Restated consolidated summary Statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the classifications as per the audited financial statements of the Company, its subsidiaries and an associate as at and for the nine months ended December 31, 2017 prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 (as amended).

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure VII: RESTATED IND AS CONSOLIDATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

(Rs. in millions)											
Particulars	Freehold Land	Leasehold Land	Buildings**	Leasehold Improvemenets	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total	Capital Work in Progress
Cost											
At 1 April 2012* (Proforma)	17.07	33.90	212.34	2.69	334.18	7.43	4.69	8.00	3.13	623.43	52.43
Additions	109.43	73.35	38.44	7.28	91.76	3.64	4.14	17.94	1.55	347.53	27.19 #
Disposals	-	-	-	-	1.72	-	0.09	-	0.04	1.85	
Adjustment related to Exchange Fluctuation	-	-	-	-	2.17	-	-	-	-	2.17	
At 31 March 2013 (Proforma)	126.50	107.25	250.78	9.97	426.39	11.07	8.74	25.94	4.64	971.28	79.62
Additions	61.87	-	174.31	9.34	294.90	1.66	3.92	10.70	6.01	562.71	370.22 #
Disposals	-	-	-	-	4.75	0.32	0.03	0.44	0.04	5.58	
At 31 March 2014 (Proforma)	188.37	107.25	425.09	19.31	716.54	12.41	12.63	36.20	10.61	1,528.41	449.84
Additions	0.12	-	302.76	4.10	415.43	4.11	3.05	18.30	3.54	751.41	
Acquisition pursuant to acquisition of a subsidiary	-	-	-	-	-	0.01	0.04	-	-	0.05	
Disposals	-	-	-	-	8.61	-	0.63	0.41	0.10	9.75	396.58 #
At 31 March 2015 (Proforma)	188.49	107.25	727.85	23.41	1,123.36	16.53	15.09	54.09	14.05	2,270.12	53.26
Additions	-	-	27.15	1.44	137.82	5.65	2.50	2.27	2.42	179.25	
Disposals	-	-	-	-	11.79	0.60	2.39	-	1.81	16.59	35.19 #
At 31 March 2016 (Proforma)	188.49	107.25	755.00	24.85	1,249.39	21.58	15.20	56.36	14.66	2,432.78	18.07
Additions	-	-	0.09	-	73.12	-	4.42	2.40	1.76	81.79	
Disposals	-	-	-	-	23.18	0.52	1.36	-	0.80	25.86	2.63 #
At 31 March 2017	188.49	107.25	755.09	24.85	1,299.33	21.06	18.26	58.76	15.62	2,488.71	15.44
Additions	27.91	-	0.57	-	43.04	0.23	1.20	16.36	0.93	90.24	0.32 #
Disposals	-	-	-	-	5.97	-	-	4.77	-	10.74	
Adjustments***	-	-	-	-	19.02	-	-	-	-	19.02	
At 31st December 2017	216.40	107.25	755.66	24.85	1,317.38	21.29	19.46	70.35	16.55	2,549.19	15.76
Depreciation											
At 1 April 2012* (Proforma)										-	
Additions	-	0.40	7.89	2.74	37.37	0.69	0.51	2.52	1.24	53.36	
Disposals	-	-	-	-	0.23	-	0.01	-	-	0.24	
At 31 March 2013 (Proforma)	-	0.40	7.89	2.74	37.14	0.69	0.50	2.52	1.24	53.12	
Additions	-	0.40	10.16	3.76	47.85	0.93	0.65	3.40	1.66	68.81	
Disposals	-	-	-	-	0.95	0.04	0.00	0.17	0.04	1.20	
At 31 March 2014 (Proforma)	-	0.80	18.05	6.50	84.04	1.58	1.15	5.75	2.86	120.73	
Additions****		0.40	21.30	2.77	100.00	2.70	4.71	6.44	4.58	142.90	
Disposals	-	-	-	-	0.85	-	0.47	0.41	0.04	1.77	
At 31 March 2015 (Proforma)	-	1.20	39.35	9.27	183.19	4.28	5.39	11.78	7.40	261.86	
Additions		1.16	27.17	2.53	115.46	2.65	3.36	7.46	3.95	163.74	
Disposals	-	-	-	-	6.96	0.28	1.58	-	1.61	10.43	
At 31 March 2016 (Proforma)	-	2.36	66.52	11.80	291.69	6.65	7.17	19.24	9.74	415.17	
Additions		1.16	28.63	2.80	118.83	2.22	3.44	6.51	3.29	166.88	
Disposals	-	-	-	-	12.70	0.24	1.17	-	0.74	14.85	
At 31 March 2017	-	3.52	95.15	14.60	397.82	8.63	9.44	25.75	12.29	567.20	
Additions	-	0.88	20.96	1.71	92.32	1.44	2.18	5.71	1.45	126.65	
Disposals	-	-	-	-	1.98	-	-	4.10	-	6.08	
Adjustments***	-	-	-	-	17.86	-	-	-	-	17.86	
At 31st December 2017	-	4.40	116.11	16.31	470.30	10.07	11.62	27.36	13.74	669.91	

(Rs. in millions)											
Particulars	Freehold Land	Leasehold Land	Buildings**	Leasehold Improvemenets	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total	Capital Work in Progress
Net block											
As at 31 March 2013 (Proforma)	126.50	106.85	242.89	7.23	389.25	10.37	8.24	23.42	3.40	918.15	79.62
As at 31 March 2014 (Proforma)	188.37	106.45	407.04	12.81	632.50	10.83	11.48	30.45	7.75	1,407.68	449.84
As at 31 March 2015 (Proforma)	188.49	106.05	688.50	14.14	940.17	12.25	9.70	42.31	6.65	2,008.26	53.26
As at 31 March 2016 (Proforma)	188.49	104.89	688.48	13.05	957.70	14.93	8.03	37.12	4.92	2,017.61	18.07
As at 31 March 2017	188.49	103.73	659.94	10.25	901.51	12.43	8.82	33.01	3.33	1,921.51	15.44
As at 31st December 2017	216.40	102.85	639.55	8.54	847.08	11.22	7.84	42.99	2.81	1,879.28	15.76

\* The Group has elected the option of Previous GAAP carrying value except accounting of government grant and transaction cost of borrowings as the deemed cost of property, plant and equipment and capital work in progress.

\*\* A residential building at Bhiwadi having a gross block Rs. 5.60 millions (March 31, 2016: Rs. 5.60 millions, March 31, 2015: Rs. 5.60 millions, March 31, 2014 & March 31, 2013 : Nil) and net block Rs. 5.35 millions (March 31, 2016: Rs 5.44 millions, March 31, 2015: Rs. 5.53 millions, March 31, 2014 & March 31, 2013 :Nil ) is yet to be registered in the name of the Company.

\*\*\* Adjustment to plant and equipment having Gross block of Rs.19.02 millions and accumulated depreciation of Rs. 17.86 millions of Parent company has been subsequently sold and has been disclosed as 'Assets held for sale' refer Annexure XIX.

\*\*\*\* W.e.f. April 01, 2014 Schedule XIV to the Companies Act, 1956 has been replaced by Schedule II to the Companies Act, 2013.Considering the applicability of Schedule II, the management of Parent company has restimated the useful lives and residual values of all its fixed assets which resulted to increase in the depreciation expense by Rs. 25.37 millions during the year ended March 31, 2015.

# The number reported are net (addition less deletion)

#### Notes:

1) During the period ended December 31,2017 , the Parent Company has re-assessed and made a downward revision in the useful lives of certain plant and equipment having a gross block of Rs. 19.02 millions and such plant and equipment has been sold subsequently. In view of this change, depreciation charge for the said period is higher by Rs. 6.66 millions.

2) Indian Rupee Term Loan of the Parent Company is secured by first charge by way of equitable mortgage in favour of SIDBI of all the lease hold rights in the immovable properties, both present and future at Haridwar unit and first charge by way of hypothecation of all the movable assets except vehicles specifically hypothecated against vehicle loans, such as plant and machinery, equipments, spares, tools, miscellaneous fixed assets, utilities and ancillary equipments etc. The Term loan is also collaterally secured by extension of first charge by way of hypothecation on all movable fixed assets, present and future of Haridwar unit of the Parent Company

3) Indian Rupee Term loans of the Subsidiary Company CMR Toyotsu Aluminium India Private Limited are secured by first charge over the entire fixed assets of the said subsidiary company, present and future including Equitable Mortgage of factory land and building at Plot No A-4 & A-5 Sipcot Industrial Park, Pillaipakkam, Chennai.

4) Foreign Currency Term Loan of the Subsidiary company CMR Nikkei India Private Limited, is secured by first charge over the entire fixed assets of present & future, including equitable mortgage of factory land & building at Plot No. 65, Sector 15, Bawal Industrial Area, Bawal, Haryana

5) The Vehicle Loans of the Group are secured by way of first charge over specific vehicle.

6) Working capital demand loans of parent Company including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by second pari-passu charge with other working capital lenders under consortium on Property, Plant and Equipment (present and future) at Tatarpur, Haridwar, Bhiwadi, Gurgaon, and Manesar plants except vehicles specifically hypothecated against vehicle loans and assets charged to SIDBI.

7) Working capital credit facility of the Subsidiary Company CMR Toyotsu Aluminium India Private Limited is secured by way of extension of first charge over the fixed assets of the said Company, including Equitable mortgage of factory land & building at Plot No. A-4, A-5 SIPCOT Industrial Park at Pillaipakkam, Sriperumpudur, District Kanchipuram, Chennai.

8) Working capital credit facility of the Subsidiary Company CMR Nikkei India Private Limited is secured by way of extension of charge over the fixed assets of the said subsidiary, including equitable mortgage of factory land & building at Plot No. 65, Sector 15, Bawal Industrial Area, Bawal, Haryana.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure VIII: RESTATED CONSOLIDATED STATEMENT OF INTANGIBLE ASSETS

(Rs. in millions)

Intangible assets	Software	Total	Intangible assets under development
<b>Gross block</b>			
<b>At 1 April 2012* (Proforma)</b>	<b>2.08</b>	2.08	
Additions	2.32	2.32	
Disposals	-	-	
<b>At 31 March 2013 (Proforma)</b>	<b>4.40</b>	<b>4.40</b>	-
Additions	3.52	3.52	11.75 #
Disposals	-	-	
<b>At 31 March 2014 (Proforma)</b>	<b>7.92</b>	<b>7.92</b>	<b>11.75</b>
Additions	0.40	0.40	5.76 #
Acquisition pursuant to acquisition of a subsidiary	0.02	0.02	
Disposals	-	-	
<b>At 31 March (Proforma)</b>	<b>8.34</b>	<b>8.34</b>	<b>17.51</b>
Additions	13.54	13.54	
Disposals	0.42	0.42	1.11 #
<b>At 31 March 2016 (Proforma)</b>	<b>21.46</b>	<b>21.46</b>	<b>16.40</b>
Additions	15.89	15.89	
Disposals	1.63	1.63	12.03 #
<b>At 31 March 2017</b>	<b>35.72</b>	<b>35.72</b>	<b>4.37</b>
Additions	5.23	5.23	
Disposals	-	-	4.37 #
<b>At 31st December 2017</b>	<b>40.95</b>	<b>40.95</b>	-
<b>Depreciation</b>			
<b>At 1 April 2012* (Proforma)</b>	-	-	
Additions	0.91	0.91	
Disposals	-	-	
<b>At 31 March 2013 (Proforma)</b>	<b>0.91</b>	<b>0.91</b>	
Additions	1.20	1.20	
Disposals	-	-	
<b>At 31 March 2014 (Proforma)</b>	<b>2.11</b>	<b>2.11</b>	
Additions	1.49	1.49	
Transfer pursuant to acquisition of a subsidiary	0.00	0.00	
Disposals	-	-	
<b>At 31 March (Proforma)</b>	<b>3.60</b>	<b>3.60</b>	
Additions	2.16	2.16	
Disposals	0.32	0.32	
<b>At 31 March 2016 (Proforma)</b>	<b>5.44</b>	<b>5.44</b>	
Additions	5.41	5.41	
Disposals	1.62	1.62	
<b>At 31 March 2017</b>	<b>9.23</b>	<b>9.23</b>	
Additions	5.01	5.01	
Disposals	-	-	
<b>At 31st December 2017</b>	<b>14.24</b>	<b>14.24</b>	
<b>Net block</b>			
At 31 March 2013 (Proforma)	3.49	<b>3.49</b>	-
At 31 March 2014 (Proforma)	5.81	<b>5.81</b>	11.75
At 31 March (Proforma)	4.74	<b>4.74</b>	17.51
At 31 March 2016 (Proforma)	16.02	<b>16.02</b>	16.40
At 31 March 2017	26.49	<b>26.49</b>	4.37
At 31st December 2017	26.71	<b>26.71</b>	-

\*The Group has elected the option of Previous GAAP carrying value as deemed cost for intangible assets.

# The number reported are net (addition less deletion)

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.



Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure VIII (A) : RESTATED IND AS CONSOLIDATED STATEMENT OF PRE-OPERATIVE EXPENSES (INCLUDED UNDER CAPITAL WORK IN PROGRESS)

(Rs. in millions)						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Salaries, Wages and Bonus	-	-	-	20.70	29.11	2.73
Contribution to Provident and Other Funds	-	-	-	0.60	0.86	0.11
Staff Welfare expenses	-	-	-	0.69	0.84	0.22
Consumption of stores and spares materials	-	-	-	0.42	-	-
Power and Fuel	-	-	-	2.49	2.33	-
Repair and Maintenance (Others)	-	-	-	0.41	-	-
Rent	-	-	-	0.87	5.21	0.10
Rates and Taxes	-	-	-	0.31	0.58	0.41
Insurance Charges	-	-	-	0.29	0.51	-
Travelling and Conveyance Expenses	-	-	-	10.43	7.52	1.80
Security Service Expenses	-	-	-	0.91	1.21	-
Printing and Stationery	-	-	-	0.14	0.10	-
Communication Expenses	-	-	-	0.36	0.29	-
Legal, Professional and Consultancy Charges	-	-	-	20.41	20.79	6.55
Freight and forwarding expense	-	-	-	0.02	0.42	-
Bank Charges	-	-	-	0.11	0.53	-
Miscellaneous expenses	-	-	-	2.22	7.03	1.12
Interest expenses	-	-	-	33.16	13.28	0.04
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94.54</b>	<b>90.63</b>	<b>13.08</b>
Less: Allocated to Property, plant & equipment	-	-	-	(87.43)	(47.19)	-
Written off during the year*	-	-	-	(7.11)	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.43</b>	<b>13.08</b>

\*The pre-operative expenses were in respect of a capital project at Pune. The Parent Company is now coming up with a new project and accordingly all expenses pertaining to old project have been written off during the period.

**Annexure IX(a) : RESTATED IND AS CONSOLIDATED STATEMENT OF INVESTMENTS IN A ASSOCIATE**

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Investments at cost #</b>						
<b>Investment in associate (unquoted)</b>						
Suvridhi Financial Services Limited *						
(including capital reserve of Rs. 17.78 millions on acquisition of associate)						
- 1,198,600 (March 31, 2017: 1,198,600 : March 31, 2016: 1,198,600 , March 31, 2015: 1,198,600, March 31, 2014: 1,198,600 and March 31, 2013: 1,198,600) equity shares of Rs.10/- each (fully paid up)	2.40	2.40	2.40	2.40	2.40	2.40
Add:- Share in opening accumulated profits	0.26	0.21	0.13	0.02	(0.08)	-
Add:- Share in profits for the current year	0.10	0.04	0.08	0.11	0.10	(0.08)
	<b>2.76</b>	<b>2.65</b>	<b>2.61</b>	<b>2.53</b>	<b>2.42</b>	<b>2.32</b>

\* The Board of Directors of the Parent Company in their meeting held on May 14, 2018 has proposed and approved the sale of investments of 1,198,600 equity shares in the share capital of Suvridhi Financial Services Limited, an associate of the Parent Company.

**Annexure IX(b) : RESTATED IND AS CONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS**

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Investment in equity instruments others (unquoted)</b>						
<b>At fair valuation through Profit or loss</b>						
DSJ Communication Limited*						
- 25,000 (March 31, 2017: 25,000: March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: Nil ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	-	-	-	-
Mardia Steel Limited*						
- 4,900 (March 31, 2017: 4,900: March 31, 2016: 4,900, March 31, 2015: 4,900, March 31, 2014: 4,900 and March 31, 2013: 4,900 ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	0.01	0.01	0.01	0.01
Usha India Limited*						
- 10,000 (March 31, 2017: 10,000: March 31, 2016: 10,000, March 31, 2015: 10,000, March 31, 2014: 10,000 and March 31, 2013: 10,000 ) equity shares of Rs.10/- each (fully paid up)	0.01	0.01	0.01	0.01	0.01	0.01
Rico Investment Limited						
- 15,00,000 (March 31, 2017: 15,00,000: March 31, 2016: 15,00,000, March 31, 2015: 15,00,000, March 31, 2014: NIL and March 31, 2013: NIL ) equity shares of Rs.10/- each (fully paid up)	15.90	15.44	14.51	14.88	-	-
Grand Metal Industries Private Limited						
- 11,000 (March 31, 2017: 11,000: March 31, 2016: 11,000, March 31, 2015: 11,000, March 31, 2014: NIL and March 31, 2013: NIL ) equity shares of Rs.10/- each (fully paid up)	0.11	0.11	0.11	0.11	-	-
<b>Investment in equity instruments (Quoted)</b>						
<b>At fair valuation through profit or loss</b>						
DSJ Communication Limited						
- Nil (March 31, 2017: Nil : March 31, 2016: 25,000, March 31, 2015: 25,000, March 31, 2014: 25,000 and March 31, 2013: 25,000 ) equity shares of Rs.10/- each (fully paid up)	-	-	0.01	0.01	0.01	0.01
<b>Total</b>	<b>16.04</b>	<b>15.58</b>	<b>14.65</b>	<b>15.02</b>	<b>0.03</b>	<b>0.03</b>
Aggregate amount of Quoted investments	-	-	0.01	0.01	0.01	0.01
Aggregate amount of Unquoted investments	<b>16.04</b>	<b>15.58</b>	<b>14.64</b>	<b>15.01</b>	<b>0.02</b>	<b>0.02</b>

#The Group has elected the option of Previous GAAP carrying value as deemed cost for investment in equity shares of associate.

\* The above investments are in listed companies. However, the quoted price of the shares of these companies are not available as they are not being traded. Accordingly, these investments have been considered as unquoted investments.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Company.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure X: RESTATED IND AS CONSOLIDATED STATEMENT OF LOANS (AT AMORTISED COST)

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Deposits</b>												
Unsecured, considered good	14.86	18.86	14.83	11.47	16.68	8.65	14.14	11.44	14.81	4.34	8.08	8.88
<b>Loans</b>												
Unsecured, considered good												
- to Others	-	-	-	-	-	-	-	9.79	-	-	-	-
<b>Loans to employees *</b>												
Unsecured, considered good												
- to Related Parties (Refer Annexure XL)	-	0.55	-	1.04	-	0.95	-	1.24	-	-	-	-
- to Others	0.09	4.16	0.72	4.24	0.76	3.91	-	9.09	-	3.48	-	3.43
<b>Total</b>	<b>14.95</b>	<b>23.57</b>	<b>15.55</b>	<b>16.75</b>	<b>17.44</b>	<b>13.51</b>	<b>14.14</b>	<b>31.56</b>	<b>14.81</b>	<b>7.82</b>	<b>8.08</b>	<b>12.31</b>

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>*loans to employees include:</b>												
(i) Due from Managing Director of the Parent Company	-	0.48	-	0.84	-	0.95	-	1.24	-	-	-	-
(ii) Due from Relative of the Managing Director of the Parent Company	-	-	-	0.20	-	-	-	-	-	-	-	-
(iii) Due from Chairman of the Parent Company	-	0.07	-	-	-	-	-	-	-	-	-	-

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

**Annexure XI: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER FINANCIAL ASSETS AT AMORTISED COST**

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Unsecured, considered good</b>												
Deposits with bank having maturity for more than 12 months (Refer Annexure XVIII)	19.58	-	38.18	-	36.36	-	26.43	-	33.84	-	23.93	-
Interest accrued on fixed deposits and others	1.03	8.27	-	2.54	-	2.85	0.21	3.08	-	1.95	-	1.06
Corporate guarantee commission receivable	-	-	-	-	-	-	-	-	-	-	-	-
- from related parties (Refer Annexure XL )	-	4.42	-	4.89	-	2.03	-	3.72	-	-	-	-
Subsidy from Commercial tax department receivable	-	-	-	-	-	1.78	-	1.77	-	1.29	-	2.25
Quality claim recoverable	-	-	-	3.45	-	-	-	-	-	-	-	-
Job work recoverable	-	-	-	3.90	-	-	-	-	-	-	-	-
Unbilled Revenue	-	115.98	-	-	-	-	-	-	-	-	-	-
	<b>20.61</b>	<b>128.67</b>	<b>38.18</b>	<b>14.78</b>	<b>36.36</b>	<b>6.66</b>	<b>26.64</b>	<b>8.57</b>	<b>33.84</b>	<b>3.24</b>	<b>23.93</b>	<b>3.31</b>

**Notes:-**

- Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities of Parent Company are secured by way of First pari passu charge with other member banks of consortium on entire current financial assets of the Parent Company .
- Working capital credit facility and term loan taken by two of the subsidiaries are secured by way of first charge on entire current financial assets of the said subsidiaries (both present and future) .

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Annexure XII: RESTATED IND AS CONSOLIDATED STATEMENT OF DEFERRED TAX LIABILITIES (NET)**

The major component of income tax expense for the following:

**Statement of profit and loss:****Profit and loss section**

(Rs. in millions)

	For the period ended December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Current income tax:						
Current income tax charge	302.08	289.65	22.29	19.38	14.54	64.90
MAT credit adjustment	(30.50)	(25.32)	(2.47)	(13.82)	(9.39)	(36.94)
Deferred tax:						
Relating to origination and reversal of temporary differences	43.82	43.37	(33.13)	(31.57)	0.60	8.41
<b>Income tax expense reported in the statement of profit or loss</b>	<b>315.40</b>	<b>307.70</b>	<b>(13.31)</b>	<b>(26.01)</b>	<b>5.75</b>	<b>36.37</b>

**Other Comprehensive Income (OCI) section**

Deferred tax relating to items in OCI:

(Rs. in millions)

	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Net deferred tax (loss)/gain on measurement of defined benefit plans	(0.26)	0.44	(0.30)	(0.06)	(0.60)	(0.55)

**Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s):**

(Rs. in millions)

	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Accounting profit/(loss) before income tax (including items of OCI) before Non Controlling interest	<b>1,021.64</b>	<b>1,017.60</b>	<b>(9.43)</b>	<b>(53.15)</b>	<b>44.80</b>	<b>333.83</b>
Tax on Profits taxable at the income tax rate applicable to Parent Company	247.53	342.29	41.42	10.36	21.19	108.15
Tax on Profit taxable at the income tax rate applicable to Subsidiaries Companies	106.04	8.83	(39.89)	(25.84)	(6.34)	0.15
Difference in tax expense on account of change in tax rate and correction in Deferred tax Asset/liability	(6.13)	3.54	(0.89)	4.68	-	-
Interest on income tax.	2.12	1.37	-	-	-	-
Profit exempt from tax	(33.97)	(48.60)	(16.54)	(17.73)	(5.05)	(73.31)
Others	(0.19)	0.27	2.59	2.52	(4.05)	1.38
At the effective income tax rate applicable in the respective year	<b>315.40</b>	<b>307.70</b>	<b>(13.31)</b>	<b>(26.01)</b>	<b>5.75</b>	<b>36.37</b>
Income tax expense reported in the statement of profit and loss	<b>315.40</b>	<b>307.70</b>	<b>(13.31)</b>	<b>(26.01)</b>	<b>5.75</b>	<b>36.37</b>
Income Tax Rate applicable to the Parent Company in the respective year	<b>34.61%</b>	<b>34.61%</b>	<b>34.61%</b>	<b>33.99%</b>	<b>32.45%</b>	<b>32.45%</b>
Income Tax Rate applicable to the Subsidiary Company in the respective year	<b>34.61%</b>	<b>30.90%</b>	<b>30.90%</b>	<b>30.90%</b>	<b>30.90%</b>	<b>30.90%</b>

**Deferred tax:****Deferred tax relates to the following:**

(Rs. in millions)

Statement of Assets and Liabilities						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Deferred tax liabilities:-</b>						
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	165.61	161.32	149.61	132.45	90.97	69.72
On deferred government grant related to EPCG	4.93	4.63	4.78	4.37	0.42	-
On fair valuation of interest free loan	0.52	0.17	0.12	0.14	0.26	0.65
On liability towards fair valuation of equity shares	0.28	0.14	(0.15)	(0.04)	-	-
<b>Deferred tax Assets:-</b>						
Effect of expenditure debited to statement of Profit and Loss in the current/ earlier years but allowable for tax purpose in the following years.	(20.01)	(24.13)	(16.99)	(12.71)	(6.82)	(7.24)
On Interest cost of Loan amortising through EIR method	(1.32)	(0.98)	(0.64)	(0.22)	(0.04)	-
Provision for doubtful debts	(10.37)	(10.37)	(8.99)	(10.18)	(4.52)	(2.16)
On derivative instruments - Forward Contracts	(0.74)	(0.24)	(1.31)	(0.19)	(0.30)	-
Carry forward of business losses and unabsorbed depreciation	(57.80)	(93.53)	(131.80)	(82.96)	(17.80)	-
MAT credit Entitlement	(38.71)	(57.25)	(106.76)	(105.70)	(91.88)	(79.83)
TDS Disallowances	(0.20)	(0.20)	(0.74)	-	-	-
<b>Deferred Tax Liability/(Asset)</b>	<b>42.19</b>	<b>(20.44)</b>	<b>(112.87)</b>	<b>(75.04)</b>	<b>(29.71)</b>	<b>(18.86)</b>

(Rs. in millions)

**Statement of Profit and Loss**

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Deferred tax Liabilities:-</b>						
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4.29	11.71	17.16	41.48	21.25	13.35
On deferred government grant related to EPCG	0.30	(0.15)	0.41	3.95	0.42	-
On fair valuation of interest free loan	0.35	0.05	(0.02)	(0.12)	(0.39)	-
On liability towards fair valuation of equity shares	0.14	0.29	(0.11)	(0.04)	-	(0.16)
<b>Deferred tax Assets:-</b>						
Effect of expenditure debited to statement of Profit and Loss in the current/ earlier years but allowable for tax purpose in the following years.	4.12	(7.14)	(4.28)	(5.89)	0.42	-
On Interest cost of Loan amortising through EIR method	(0.34)	(0.34)	(0.42)	(0.18)	(0.04)	(2.07)
Provision for doubtful debts	-	(1.38)	1.19	(5.66)	(2.36)	(2.16)
On derivative instruments - Forward Contracts	(0.50)	1.07	(1.12)	0.11	(0.30)	-
Carry forward of business losses and unabsorbed depreciation	35.73	38.27	(48.84)	(65.16)	(17.80)	-
MAT credit Entitlements	18.54	49.51	(1.06)	(13.82)	(12.05)	(36.94)
TDS Disallowances	-	0.54	(0.74)	-	-	-
	<b>62.63</b>	<b>92.43</b>	<b>(37.82)</b>	<b>(45.34)</b>	<b>(10.85)</b>	<b>(27.98)</b>
Deferred Tax charge/(credit) without MAT Credit Entitlements	<b>44.09</b>	<b>42.92</b>	<b>(36.76)</b>	<b>(31.52)</b>	<b>1.20</b>	<b>8.96</b>
Shown under OCI section - (loss)/gain	(0.26)	0.44	(0.30)	(0.06)	(0.60)	(0.55)
Shown under profit and loss section	43.82	43.37	(33.13)	(31.57)	0.60	8.41
Recognised in Securities premium account	-	-	(3.94)	-	-	-

Reflected in the balance sheet as follows:

	(Rs. in millions)					
	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Deferred tax liability	(116.05)	(116.67)	-	-	-	-
Deferred tax assets	38.48	91.74	-	-	-	-
<b>Deferred Tax (Liabilities) (Net)</b>	<b>(77.57)</b>	<b>(24.93)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred tax liability	(55.29)	(49.59)	(154.36)	(136.92)	(91.65)	(70.37)
Deferred tax assets	90.67	94.96	267.23	211.96	121.36	89.23
<b>Deferred Tax Asset (Net)</b>	<b>35.38</b>	<b>45.37</b>	<b>112.87</b>	<b>75.04</b>	<b>29.71</b>	<b>18.86</b>
<b>Total Deferred Tax (Liabilities)/Asset</b>	<b>(42.19)</b>	<b>20.44</b>	<b>112.87</b>	<b>75.04</b>	<b>29.71</b>	<b>18.86</b>

**Reconciliation of deferred tax liabilities (net):**

	(Rs. in millions)					
	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Opening balance</b>	<b>(20.44)</b>	<b>(112.87)</b>	<b>(75.04)</b>	<b>(29.71)</b>	<b>(18.86)</b>	<b>9.12</b>
Tax (income)/expense during the period/year recognised in profit or loss	43.82	43.37	(33.13)	(31.57)	0.60	8.41
Tax (income)/expense during the period/year recognised in OCI	0.26	(0.44)	0.30	0.06	0.60	0.55
Tax (income)/expense during the period/year recognised in Securities premium account	-	-	(3.94)	-	-	-
Change in MAT credit entitlement for the year/period*	18.55	49.51	(1.06)	(13.82)	(12.05)	(36.94)
<b>Closing balance of deferred tax liabilities/(Asset) (Net)</b>	<b>42.19</b>	<b>(20.44)</b>	<b>(112.87)</b>	<b>(75.04)</b>	<b>(29.71)</b>	<b>(18.86)</b>

\*including MAT credit entitlement utilised during the year/period.

**Notes:-**

1. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
2. The Group has recognized Minimum Alternate Tax (MAT) credit entitlement as follows which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961.

	(Rs. in millions)					
Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
MAT Credit Entitlement	38.71	57.25	106.76	105.70	91.88	79.83

3. The net deferred tax assets includes Rs. 57.80 millions in respect of the subsidiary company i.e. CMR Toyotsu Aluminium Private Limited. Although, there is carried forward unabsorbed depreciation and business losses as on the reporting date in the entity, yet in view of the future profitability projections, the Group is reasonable certain that there would be sufficient taxable income in future to realise the aforesaid deferred tax assets.

The figures disclosed above are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XIII: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER ASSETS

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good												
Capital advances												
- To related party *(Refer Annexure XL)	21.84	-	21.79	-	16.79	-	16.79	-	-	-	-	-
- To others	3.71	-	3.67	-	14.37	-	32.68	-	42.15	-	32.80	-
Prepaid expenses	7.40	12.94	8.78	15.56	0.36	22.89	-	23.37	-	16.29	-	11.99
Balances with statutory/ government authorities	-	904.44	-	494.91	-	275.14	-	351.92	-	83.39	-	28.71
Advance to Suppliers												
- Related parties ** (Refer Annexure XL)	-	1.05	-	0.98	-	0.06	-	0.04	-	-	-	-
- Others	-	438.86	-	377.16	-	224.11	-	531.44	-	618.59	-	392.04
Unutilised Focus License	-	7.02	-	9.90	-	-	-	-	-	-	-	-
Insurance claims receivable	-	2.28	-	2.69	-	0.88	-	3.30	-	4.16	-	1.28
<b>Total</b>	<b>32.95</b>	<b>1,366.59</b>	<b>34.24</b>	<b>901.20</b>	<b>31.52</b>	<b>523.08</b>	<b>49.47</b>	<b>910.07</b>	<b>42.15</b>	<b>722.43</b>	<b>32.80</b>	<b>434.02</b>
<b>* Due from Managing Director of the Parent Company :</b>												
- Shri Mohan Agarwal	21.84	-	21.79	-	16.79	-	16.79	-	-	-	-	-
<b>** Dues from private limited companies in which directors of the Company are directors :</b>												
-Grand Metal Industries Private Limited	-	0.94	-	0.90	-	0.04	-	0.02	-	-	-	-
-Grand Metal Recycling Private Limited	-	0.02	-	0.02	-	-	-	-	-	-	-	-
-Suvridhi Financial Services Limited	-	0.09	-	0.06	-	0.02	-	0.02	-	-	-	-

Notes:-

- Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities of Parent Company are secured by way of First pari passu charge with other member banks of consortium on entire other current assets of the Parent Company .
- Working capital credit facility and Term Loans taken by two of the subsidiaries are secured by way of first charge on entire other current assets of the said subsidiaries (both present and future) .

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.



**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XIV: RESTATED IND AS CONSOLIDATED STATEMENT OF INVENTORIES**

(Rs. in millions)						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Raw materials*	2,142.79	1,218.04	1,394.35	1,285.91	877.81	664.31
Finished goods	197.05	153.99	85.15	269.01	116.63	118.34
Work in progress	-	-	-	-	1.57	-
Stores, spares, fuel and packing materials	41.20	46.01	31.27	29.90	22.06	19.63
	<b>2,381.04</b>	<b>1,418.04</b>	<b>1,510.77</b>	<b>1,584.82</b>	<b>1,018.07</b>	<b>802.28</b>
<b>* Raw materials include :-</b>						
-material in transit	978.79	500.43	626.52	154.72	234.76	251.99

**Notes:-**

1. Working capital demand loans of Parent Company including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all type of stocks lying in the Company's factories, godowns, elsewhere (including GIT).
2. Working capital credit facility and Term Loans taken by two of the subsidiaries are secured by way of first charge including hypothecation of all stocks of raw materials, stores, spares, stocks in process, finished goods, etc., lying in factory, go-downs, elsewhere and including goods in transit of the said subsidiaries.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XV: RESTATED IND AS CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS**

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>At Fair Valuation through Profit or Loss</b>						
<b>Investment in mutual fund (Quoted)</b>						
Reliance Money Manager Fund - Daily Dividend Plan	-	-	-	-	-	73.71
- Nil (March 31, 2017: Nil; March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 73,604 ) units of face value of Rs.1000/- each						
Templeton India Ultra Short Bond Fund - Daily Dividend	-	-	-	-	-	39.27
- Nil (March 31, 2017: Nil; March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 3,939,833 ) units of face value of Rs.10/- each						
Kotak Floater Long Term - Daily Dividend Plan	-	-	-	-	-	16.72
- Nil (March 31, 2017: Nil; March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 1,659,145 ) units of face value of Rs.10/- each						
Reliance Money Manager Fund - Daily Dividend Plan	-	-	-	-	-	13.21
- Nil (March 31, 2017: Nil; March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 13,194 ) units of face value of Rs.1000/- each						
Tata Floater Fund Plan A - Daily Dividend Plan	-	-	-	-	-	50.91
- Nil (March 31, 2017: Nil; March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: 50,732 ) units of face value of Rs.1000/- each						
	-	-	-	-	-	<b>193.82</b>
Amount of quoted investments	-	-	-	-	-	<b>193.82</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XVI: RESTATED IND AS CONSOLIDATED STATEMENT OF TRADE RECEIVABLES

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Trade receivables	-	-	-	0.66	3.56	-
Receivables from related parties (Refer Annexure XL)**	2,221.17	1,918.65	1,788.31	1,876.74	1,938.07	1,229.46
<b>TOTAL</b>	<b>2,221.17</b>	<b>1,918.65</b>	<b>1,788.31</b>	<b>1,877.40</b>	<b>1,941.63</b>	<b>1,229.46</b>

Break-up for security details and more than 6 months overdue:

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>						
Unsecured, considered good*	9.87	10.14	53.11	55.46	35.99	17.95
Unsecured, considered doubtful	29.95	29.95	29.95	29.95	8.07	6.54
	<b>39.82</b>	<b>40.09</b>	<b>83.06</b>	<b>85.41</b>	<b>44.06</b>	<b>24.49</b>
Provision for doubtful receivables	(29.95)	(29.95)	(29.95)	(29.95)	(8.07)	(6.54)
	<b>9.87</b>	<b>10.14</b>	<b>53.11</b>	<b>55.46</b>	<b>35.99</b>	<b>17.95</b>
<b>Other receivables</b>						
Unsecured, considered good**	2,211.30	1,908.51	1,735.20	1,821.94	1,905.64	1,211.51
Unsecured, considered doubtful	-	-	-	-	5.24	0.10
	<b>2,211.30</b>	<b>1,908.51</b>	<b>1,735.20</b>	<b>1,821.94</b>	<b>1,910.88</b>	<b>1,211.61</b>
Provision for doubtful receivables	-	-	-	-	(5.24)	(0.10)
	<b>2,211.30</b>	<b>1,908.51</b>	<b>1,735.20</b>	<b>1,821.94</b>	<b>1,905.64</b>	<b>1,211.51</b>
<b>Total</b>	<b>2,221.17</b>	<b>1,918.65</b>	<b>1,788.31</b>	<b>1,877.40</b>	<b>1,941.63</b>	<b>1,229.46</b>

\*Trade receivables are net of debts amounting to Nil (March 31, 2017:Nil, March 31, 2016: Rs 743.47 millions, March 31, 2015: Rs.1,048.34 millions, March 31, 2014 : Rs. 673.62 millions, March 31, 2013 : Rs 357.32 millions) discounted from banks against bill discounting facility taken by the customers.

\*\*Trade receivables includes receivables from related parties as follow:-

Nikkei MC Aluminium Co. Ltd	-	-	-	0.66	3.56	-
-----------------------------	---	---	---	------	------	---

Notes:-

1. For terms and conditions relating to related party receivables, refer Annexure XLI.
2. Trade receivables are generally non-interest bearing and are generally on terms of 0 to 90 days.
3. Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities of Parent Company are secured by way of First pari passu charge with other member banks of consortium on Company's book debts (present and future).
4. Working capital credit facility and Term loans taken by two of the subsidiaries are secured by way of first charge on receivables / book debts (both present and future) of the said Subsidiaries.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current		Current		Non-current		Current		Non-current		Current	
Cash on hand	-	1.58	-	1.25	-	2.77	-	3.29	-	3.80	-	1.45
Balances with banks:	-											
On current accounts	-	1.37	-	160.72	-	135.89	-	43.89	-	3.41	-	1.26
- Cash credit from banks	-	31.10	-	-	-	95.23	-	-	-	-	-	-
Deposits with original maturity for less than 3 months	-	-	-	0.13	-	3.44	-	7.50	-	-	-	-
	-	<b>34.05</b>	-	<b>162.10</b>	-	<b>237.33</b>	-	<b>54.68</b>	-	<b>7.21</b>	-	<b>2.71</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XVIII: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER BANK BALANCES

Particulars	(Rs. in millions)											
	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<i>Other bank balances:</i>												
Deposits with remaining maturity less than 12 months*	-	82.73	-	81.62	-	90.05	-	112.02	-	82.85	-	57.42
Deposits with remaining maturity for more than 12 months*	19.58	-	38.18	-	36.36	-	26.43	-	33.84	-	23.93	-
	<b>19.58</b>	<b>82.73</b>	<b>38.18</b>	<b>81.62</b>	<b>36.36</b>	<b>90.05</b>	<b>26.43</b>	<b>112.02</b>	<b>33.84</b>	<b>82.85</b>	<b>23.93</b>	<b>57.42</b>
Amount disclosed under non-current assets (refer Annexure XIII)	(19.58)	-	(38.18)	-	(36.36)	-	(26.43)	-	(33.84)	-	(23.93)	-
	-	<b>82.73</b>	-	<b>81.62</b>	-	<b>90.05</b>	-	<b>112.02</b>	-	<b>82.85</b>	-	<b>57.42</b>

\* (i) Deposits of Rs. 102.00 millions (March 31, 2017 : Rs. 119.81 millions, March 31, 2016: Rs.129.70 millions, March 31, 2015: 138.75 millions, March 31, 2014 :Rs.116.69 millions, March 31, 2013: Rs.81.35 millions) are pledged with bank against bank guarantees and margin money for availing Buyer's credit and loan from Government of Haryana.

\* (ii) Deposits of Rs. 0.31 millions ( March 31, 2017 : Rs. 0.12 millions March 31, 2016: Rs.0.15 millions, March 31, 2015: Rs 0.13 millions, March 31, 2014 :NIL, March 31, 2013: NIL) have been kept with Sales Tax Department, Chennai, Dadri and Haridwar as security.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

Particulars	(Rs. in millions)											
	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Cash on hand	-	1.58	-	1.25	-	2.77	-	3.29	-	3.80	-	1.45
On current accounts	-	1.37	-	160.72	-	135.89	-	43.89	-	3.41	-	1.26
Cash credit	-	31.10	-	-	-	95.23	-	-	-	-	-	-
Deposits with original maturity for less than 3 months	-	-	-	0.13	-	3.44	-	7.50	-	-	-	-
<b>Total</b>	-	<b>34.05</b>	-	<b>162.09</b>	-	<b>237.34</b>	-	<b>54.68</b>	-	<b>7.21</b>	-	<b>2.71</b>

Changes in liabilities arising from financing activities

Particulars	(Rs. in millions)											
	As at ended 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Opening balance</b>	563.28	2,029.02	680.28	2,310.85	770.29	2,924.72	735.63	2,223.23	269.04	1,544.96	158.99	1,095.52
Cash flows	(103.47)	593.41	(94.61)	(264.31)	(94.61)	(600.36)	30.28	694.53	455.81	692.13	47.34	446.55
Foreign exchange management	-	(6.89)	12.27	(17.52)	1.92	(13.50)	-	6.95	0.55	(13.85)	-	2.89
Changes in fair values	6.26	-	(34.66)	-	2.69	-	4.37	-	10.24	-	62.71	-
<b>Closing Balance</b>	<b>466.06</b>	<b>2,615.54</b>	<b>563.28</b>	<b>2,029.02</b>	<b>680.28</b>	<b>2,310.85</b>	<b>770.29</b>	<b>2,924.72</b>	<b>735.63</b>	<b>2,223.23</b>	<b>269.04</b>	<b>1,544.96</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XIX: RESTATED IND AS CONSOLIDATED STATEMENT OF ASSETS HELD FOR SALE:**

(Rs. in millions)

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
(a) Property, plant and equipment classified as held for sale :						
- Plant and equipment	1.16	-	-	-	-	-
<b>Total</b>	<b>1.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>(a) Authorised share capital</b>						
Equity shares of Rs.	10	10	10	10	10	10
Authorised equity shares (No.)	70,00,000	70,00,000	70,00,000	70,00,000	70,00,000	70,00,000
Authorised equity shares capital(Rs. in millions)	70.00	70.00	70.00	70.00	70.00	70.00
Compulsory Convertible Participatory Preference Shares of Rs. (each)	10	10	10	10	10	-
Authorised Compulsory Convertible Participatory Preference Shares (No.)	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000	-
Authorised compulsory convertible preference shares capital (Rs. in millions)	20.00	20.00	20.00	20.00	20.00	-
<b>Total authorised share capital (Rs in millions)</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>70.00</b>
The Board of Directors in their meeting held on May 08, 2018 has proposed and approved increase in the authorised share capital of the Company from 7,000,000 equity shares of Rs 10 each to 43,000,000 equity shares of Rs. 10 each.						
<b>(b) Issued, subscribed &amp; paid-up share capital</b>						
Equity shares of Rs.	10	10	10	10	10	10
Equity shares (No.)	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375
a) Subscribed & paid-up equity share capital (Rs. in millions)	61.23	61.23	61.23	61.23	61.23	61.23
Compulsory Convertible Participatory Preference Shares of Rs.	10	10	10	10	10	-
Total Compulsory Convertible Participatory Preference Shares (No.)	15,30,844	15,30,844	15,30,844	15,30,844	15,30,844	-
b) Subscribed & paid-up Compulsory Convertible Participatory Preference Shares ('CCPPS') (Rs. in millions) *	15.31	15.31	15.31	15.31	15.31	-
<b>Total subscribed &amp; paid-up share capital</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>76.54</b>	<b>61.23</b>
Less : Elimination of 6,67,680 equity shares held by a subsidiary company	6.68	6.68	6.68	6.68	-	-
<b>Total subscribed &amp; paid-up share capital elimination</b>	<b>69.86</b>	<b>69.86</b>	<b>69.86</b>	<b>69.86</b>	<b>76.54</b>	<b>61.23</b>
Subsequent to 31 December 2017 vide resolution passed by the shareholders in the Extra Ordinary General Meeting held on May 11, 2018 and board of directors in the meeting held on May 14, 2018, the issued, subscribed and paid-up equity share capital of the Group has increased due to issue of bonus shares in the ratio of 3:1 from Rs. 54.56 million comprising of 54,55,695 equity shares of 10 each to Rs. 218.23 million comprising of 2,18,22,780 equity shares of 10 each.						
* The Parent Company vide resolution passed at the shareholders Extraordinary General Meeting dated May 31, 2018 has converted 114,222 of Rs. 10 each compulsorily convertible participatory preference shares held by Global Scrap Processors Limited into 456,888 equity shares of Rs.10 each (fully paid-up) in the ratio of four equity shares for each CCPS held.						
<b>(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year</b>						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Equity Shares (No.)</b>						
At the beginning of the year	61,23,375	61,23,375	61,23,375	61,23,375	61,23,375	61,00,000
Add: Share Issued During the Year:						
Bonus Shares Issued during the year {Refer Note h below}	-	-	-	-	-	23,375
Less : Elimination of Shares held by a subsidiary company	6,67,680	6,67,680	6,67,680	6,67,680	-	-
<b>Outstanding at the end of the year</b>	<b>54,55,695</b>	<b>54,55,695</b>	<b>54,55,695</b>	<b>54,55,695</b>	<b>61,23,375</b>	<b>61,23,375</b>
<b>Compulsory Convertible Participatory Preference Shares ('CCPPS') (No.)</b>						
At the beginning of the year	15,30,844	15,30,844	15,30,844	15,30,844	-	-
Issued during the year	-	-	-	-	15,30,844	-
<b>Outstanding at the end of the year</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	<b>15,30,844</b>	-
						(Rs. in millions)
Description	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Equity Shares</b>						
At the beginning of the year	61.23	61.23	61.23	61.23	61.23	61.00
Bonus Shares Issued during the year {Refer Note h below}	-	-	-	-	-	0.23
Less : Elimination of Shares held by a subsidiary company	6.68	6.68	6.68	6.68	-	-
<b>Outstanding at the end of the year</b>	<b>54.56</b>	<b>54.56</b>	<b>54.56</b>	<b>54.56</b>	<b>61.23</b>	<b>61.23</b>
<b>Compulsory Convertible Participatory Preference Shares ('CCPPS')</b>						
At the beginning of the year	15.31	15.31	15.31	15.31	-	-
Issued during the year	-	-	-	-	15.31	-
<b>Outstanding at the end of the year</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	<b>15.31</b>	-
<b>(d) Terms/ rights attached to equity shares</b>						
The Parent Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						

(e) Terms of conversion / redemption of CCPPS

Pursuant to the share purchase agreement dated September 24, 2013, entered into among IFCI Venture Capital Fund Limited, Global Scrap Processors Limited ("GSPL"), Promoters and the Parent Company, GSPL purchased 5,23,375 equity shares at a price of Rs.422.02 per equity share aggregating to Rs.220.87 millions from IFCI Venture Capital Fund Limited, and pursuant to the Investment Agreement, GSPL subscribed to 15,30,844 compulsorily convertible preference shares ("CCPPS") of face value Rs.10 each, issued at a premium of Rs.381.94 aggregating to Rs. 600.00 millions to the Parent Company. Among other things, GSPL is also entitled to anti-dilution rights, if any future issue of any equity shares is made at a price lower than Rs.422.02 per equity share; and tag-along rights in relation to the equity shares held by GSPL if the Parent Company's shareholders transfer, in aggregate, more than 5% of the equity shares held by them. CCPPS shareholder is entitled to receive cumulative dividend at the rate of 0.001% per annum. At any time, the holder of CCPPS had the right to convert, at its sole discretion and option, the CCPPS into fully paid up equity shares or as per formula laid down in the Investment Agreement dated 24.09.2013 ["IA"]. These preference shares carry preferential right with respect to the repayment, in the case of winding up or repayment of the capital of the Parent Company. GSPL has right to vote on the resolutions directly affecting the rights attached to its CCPPS shares, any resolution for the winding up of the Parent Parent Company or for the repayment or reduction of its equity or preference share capital. GSPL is entitled to appoint one director on board of the Parent Company and the board of each of the subsidiaries. The quorum of a meeting of the board shall be 1/3rd of its total strength and two directors, whichever is higher, including, GSPL'S nominee Director, present throughout the meeting, unless otherwise agreed with the Investor's consent. No action or decision relating to any of the reserved matters as mentioned in Investment agreement shall be taken unless GSPL's consent is obtained for such action or decision. Also, as per clause 17.1 of the IA, the Parent Company had to consummate a QIPO within 54 months from the Completion date. [i.e. before 06th May, 2018 (07th November, 2013 being completion date)], failing which the CCPPS shareholder will have the right to exercise the put option.

Further, the Parent Company, promoters and CCPPS shareholder, entered into a Share Sale and Purchase Agreement, dated January 20, 2018, as amended by an amendment agreement dated May 8, 2018 (together referred to as "SPA Amendment Agreement"). Pursuant to the SPA Amendment Agreement, GSPL agreed to transfer 1,027,110 CCPPS to Grand Metal Recycling Private Limited, one of the promoter Company at a purchase consideration based on an IRR of 18%, which shall be calculated upto the date of receipt of the purchase consideration by GSPL towards sale of shares in case the transfer takes place within 180 days of this agreement. Also, the reference to 54 months in clause 17.1 of the IA shall stand substituted with 63 months (i.e. the Parent Company will have the option to bring QIPO up to 6th February 2019).

CCPPS shareholder (holding 5,23,375 equity shares and 15,30,844 CCPPS on December 31,2017) vide letter dated May 07, 2018 has amended the "Put Option" clause of the Investment Agreement whereby CCPPS shareholder will not exercise the Put Option if the Parent Company files its Draft Red Herring Prospectus (DRHP) with SEBI for IPO on or before April 01, 2019 which the Company is filing in next couple of days. The Parent Company has also obtained a legal opinion on this stating that the amendment letter is legally tenable and any there would not be any sort of put option liability after filing of DRHP. Therefore such obligation of the Parent Company to do the buy back if the filing of DRHP does not happen, is not considered as financial liability as per Ind AS 32 financial instruments - presentation contingent settlement provision since filing of DRHP is regarded as within the control of the Parent Company . Accordingly, the Parent Company has continued to disclose CCPPS and equity shares as equity.

Subsequent to December 31, 2017, vide resolution passed by the shareholders in Extra –Ordinary General Meeting held on May 11, 2018, and board of directors in the meeting held on May14, 2018, the Parent Company has issued bonus shares in the ratio of 3.1 equity shares. GSPL got 1,570,125 equity shares as bonus shares The Parent Company vide resolution passed at the shareholders Extra –ordinary General Meeting dated May 31,2018 has converted 114,222 CCPPS of Rs.10 each held by GSPL into 456,888 equity shares of Rs.10 each fully paid up in the ratio of four equity shares for each CCPPS held. This means that CCPPS shareholder holds 2,550,388 equity shares and 14,16,622 CCPPS as on date .Further, the CCPPS shareholder is also selling upto 25,50,388 equity shares in the proposed IPO of the Parent Company.

(f) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Names	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
<b>Equity shares</b>						
Shri Gauri Shankar Agarwala	6,67,714	6,67,714	6,67,714	6,67,714	6,67,714	6,67,714
Smt. Kalawati Agarwal	3,97,441	3,97,441	3,97,441	3,97,441	3,97,441	3,97,441
Shri Mohan Agarwal	7,88,955	7,88,955	7,88,955	7,88,955	7,88,955	7,88,955
Smt. Pratibha Agarwal	5,34,921	5,34,921	5,34,921	5,34,921	5,34,921	5,34,921
Suvidhi Financial Services Limited	9,12,498	9,12,498	9,12,498	9,12,498	9,12,498	9,12,498
Grand Metal Recycling Private Limited	5,73,520	5,73,520	5,73,520	5,73,520	5,73,520	5,73,520
Sanjivani Non Ferrous Trading Private Limited	6,67,680	6,67,680	6,67,680	6,67,680	6,67,680	6,67,680
Forever Multimedia Private Limited	5,00,760	5,00,760	5,00,760	5,00,760	5,00,760	5,00,760
Ramayana Polymers Private Limited	4,97,336	4,97,336	4,97,336	4,97,336	4,97,336	4,97,336
Indian Automotive Components Manufactures Private Equity Fund-1- Domestic	-	-	-	-	-	5,23,375
Global Scrap Processors Limited	5,23,375	5,23,375	5,23,375	5,23,375	5,23,375	-
<b>Compulsory Convertible Participatory Preference Shares ('CCPPS')</b>						
Global Scrap Processors Limited	15,30,844	15,30,844	15,30,844	15,30,844	15,30,844	-

Names	% holding in the	% holding in the	% holding in the	% holding in the	% holding in the	% holding in the
<b>Equity shares</b>						
Shri Gauri Shankar Agarwala	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%
Smt. Kalawati Agarwal	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%
Shri Mohan Agarwal	12.88%	12.88%	12.88%	12.88%	12.88%	12.88%
Smt. Pratibha Agarwal	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%
Suvidhi Financial Services Limited	14.90%	14.90%	14.90%	14.90%	14.90%	14.90%
Grand Metal Recycling Private Limited	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%
Sanjivani Non Ferrous Trading Private Limited	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%
Forever Multimedia Private Limited	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
Ramayana Polymers Private Limited	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%
Indian Automotive Components Manufactures Private Equity Fund-1- Domestic	-	-	-	-	-	8.55%
Global Scrap Processors Limited	8.55%	8.55%	8.55%	8.55%	8.55%	-
Compulsory Convertible Participatory Preference Shares ('CCPPS')						
Global Scrap Processors Limited	100.00%	100.00%	100.00%	100.00%	100.00%	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(g) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Equity shares allotted as fully paid bonus shares:</b>	No.	No.	No.	No.	No.	No.
Allotted on 14.05.2011	-	-	23,29,300	23,29,300	23,29,300	23,29,300
Allotted on 03.01.2013 [Refer Note h Below]	23,375	23,375	23,375	23,375	23,375	23,375

(h) 23,375 Bonus equity shares were issued during the financial year 2012-2013 to Indian Automotive Components Manufactures Private Equity Fund -Domestic pursuant to the agreement dated 19th May 2011 for option of redemption of debentures exercised by the Parent Company in the financial Year 2011-2012



Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XXI: RESTATED IND AS CONSOLIDATED STATEMENT OF NON CURRENT BORROWINGS

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
<b>Term loans</b>												
<b>From Banks / financial institution</b>												
Indian rupee loan from a Financial Institution (Secured)	65.04	15.54	76.69	15.54	92.23	7.77	-	8.74	8.74	15.50	28.54	16.20
Indian rupee loan from a bank (Secured)	107.37	71.58	-	-	-	-	572.34	135.73	549.92	42.55	111.23	6.72
Foreign Currency loan from a bank (Secured)	70.99	57.63	281.97	111.67	400.92	157.68	-	-	-	-	-	-
Vehicle Loans from banks (Secured)	11.17	5.40	4.21	2.16	5.79	3.00	8.79	6.34	6.07	6.71	4.67	5.62
		-										
<b>Other loans</b>												
Interest Free Indian Rupees Loan from Government of Haryana (Unsecured)	61.35	-	56.75	14.29	12.89	-	11.61	-	10.46	-	9.42	-
Interest Free Indian Rupees Loan from Government of Haryana (Secured)	-	-	-	-	-	-	-	26.74	24.09	71.60	21.70	64.93
	<b>315.92</b>	<b>150.15</b>	<b>419.62</b>	<b>143.66</b>	<b>511.83</b>	<b>168.45</b>	<b>592.74</b>	<b>177.55</b>	<b>599.28</b>	<b>136.36</b>	<b>175.56</b>	<b>93.47</b>
<b>The above amount includes</b>												
Secured borrowings	254.57	150.15	362.87	129.37	498.94	168.45	581.13	177.55	588.82	136.36	166.14	93.47
Unsecured borrowings	61.35	-	56.75	14.29	12.89	-	11.61	-	10.46	-	9.42	-
Amount disclosed under the head "other financial liabilities" (refer Annexure XXII)	-	(150.15)	-	(143.66)	-	(168.45)	-	(177.55)	-	(136.36)	-	(93.47)
<b>Net amount</b>	<b>315.92</b>	<b>-</b>	<b>419.62</b>	<b>-</b>	<b>511.83</b>	<b>-</b>	<b>592.74</b>	<b>-</b>	<b>599.28</b>	<b>-</b>	<b>175.56</b>	<b>-</b>

**Notes:**

**(1) Details of borrowings and Unamortised Interest cost:-**

From Banks / financial institution	254.94	150.71	363.63	130.18	500.51	169.55	583.80	152.16	566.11	65.33	144.44	28.54
Less: Unamortised Interest Cost	(0.37)	(0.56)	(0.76)	(0.81)	(1.57)	(1.10)	(2.67)	(1.36)	(1.38)	(0.57)	-	-
<b>Carrying value</b>	<b>254.57</b>	<b>150.15</b>	<b>362.87</b>	<b>129.37</b>	<b>498.94</b>	<b>168.45</b>	<b>581.13</b>	<b>150.80</b>	<b>564.73</b>	<b>64.76</b>	<b>144.44</b>	<b>28.54</b>
Interest Free Indian Rupees Loan from Government of Haryana	93.91	-	93.91	15.30	15.30	-	15.30	26.79	42.09	71.60	42.09	71.60
Less: Unamortised Interest Cost	(32.56)	-	(37.16)	(1.01)	(2.41)	-	(3.69)	(26.79)	(31.63)	(71.60)	(32.67)	(71.60)
<b>Carrying value of Interest Free Indian Rupees Loan from Government of Haryana</b>	<b>61.35</b>	<b>-</b>	<b>56.75</b>	<b>14.29</b>	<b>12.89</b>	<b>-</b>	<b>11.61</b>	<b>-</b>	<b>10.46</b>	<b>-</b>	<b>9.42</b>	<b>-</b>

(2) The maturity profile, security and rate of interest of the above loans are as given below:

Lender	Nature of Facility	Loan Currency	Amount outstanding as at December 31, 2017 (Rs. in millions)	Rate of Interest during the period ended December 31, 2017	Repayment terms	Security/Principal terms and Conditions
SIDBI	Indian rupee term loan	INR	80.58	10.40%	77 monthly equated instalments of Rs.1.30 million starting from Oct 2016 and last instalment of Rs.0.29 million.	Term Loan (In Indian Currency) from SIDBI is secured by first charge by way of equitable mortgage in favour of SIDBI of all the lease hold rights in the immovable properties, both present and future at Haridwar unit and First Charge by way of hypothecation of all the movable assets except vehicles specifically hypothecated against vehicle loans, such as plant and machinery, equipments, spares, tools, miscellaneous fixed assets, utilities and ancillary equipments etc. save and except stock and book debts, acquired or to be acquired at Haridwar and Gurgaon unit of the Parent Company. The above loan is collaterally secured by extension of first charge by way of hypothecation on all movable fixed assets, present and future of Haridwar unit of the Parent Company. Further this loan is personally guaranteed by the promoter directors, Shri Gauri Shankar Agarwal and Shri Mohan Agarwal.
State Bank Of India	Indian rupee term loan	INR	178.95	MCLR 1Y + 2.60%	Repayment of term loan to be paid in 19 equal quarterly instalments of Rs 17.89 million.	CMR Toyotsu Aluminium India Private Limited, a subsidiary company has converted the outstanding foreign currency term loan as on 27.12.2017 . This loan is secured by first charge over the entire fixed assets of the said subsidiary company, present and future including Equitable Mortgage of factory land and building at Plot No A-4 & A-5 Sipcot Industrial Park, Pillaipakkam, Chennai and collaterally secured by extension of charge over current assets.*
State Bank Of India	Foreign Currency Term Loan	USD	129.55	LIBOR + 400 Basis Point	4 different quarterly instalment for total amount of USD 8,73,005 commencing from 30.03.2017 and remaining will be rolled over in next year.	Term Loan from State Bank of India is secured by first charge over the entire fixed assets of the subsidiary company i.e. CMR Nikkei India Private Limited, present & future, including equitable mortgage of factory land & building at Plot No. 65, Sector 15, Bawal Industrial Area, Bawal, Haryana and is collaterally secured by extension of charge over current assets. Further corporate guarantee given by Nikkei MC Aluminium Co. Ltd*
ICICI Bank Ltd	Vehicles Loan	INR	4.31	10.20%	32 equated monthly instalments of Rs. 0.21 million	Vehicle Loans are secured by way of first charge over specific vehicles and the same are repayable as per term of agreement.
HDFC Bank Ltd	Vehicles Loan	INR	1.11	8.45%	LCV loan with EMI of Rs.0.03 million.	Vehicle Loans are secured by way of first charge over specific vehicles and the same are repayable as per term of agreement.
HDFC Bank Ltd	Vehicles Loan	INR	0.47	9.70%	1 LCV loan with EMI of Rs. 0.02 million commenced from 15.08.2016.	Vehicle Loans are secured by way of first charge over specific vehicles and the same are repayable as per term of agreement.
HDFC Bank Ltd	Vehicles Loan	INR	10.68	7.90%	48 equated monthly instalments of Rs.0.30 million.	Vehicle Loans are secured by way of first charge over specific vehicles and the same are repayable as per term of agreement.
Government of Haryana (Interest free loan)	Term Loan from Government of Haryana	INR	93.91	Interest free loan	Payable immediately after 5 years from the date of disbursement i.e. Jan'17 and Mar'17.	The Parent Company has furnished bank guarantees of Rs. 93.91 million to Government of Haryana.

\* Those entities are consistently rolling these loans after expiry of repayment term of one year.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

## Annexure XXII: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER FINANCIAL LIABILITIES

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Financial liabilities at fair value through profit or loss</b>												
Derivative liability	-	8.65	-	24.76	-	30.70	-	1.35	-	9.75	-	-
<b>Other financial liabilities at amortised cost</b>												
Current maturities of long term borrowings (refer Annexure XXI)	-	150.15	-	143.66	-	168.45	-	177.55	-	136.36	-	93.47
Interest accrued and due on borrowings	-	4.12	-	5.70	-	8.12	-	9.61	-	4.05	-	-
Interest accrued but not due on borrowings	-	6.81	-	1.69	-	1.39	-	0.76	-	0.94	-	1.07
Other interest payable	-	-	-	-	-	-	-	0.27	-	-	-	-
Temporary book over draft	-	-	-	-	-	-	-	-	-	0.70	-	3.81
Payable for capital goods **	-	12.50	-	16.61	-	21.47	-	31.57	-	68.48	-	63.16
Security Deposits	1.42	13.96	1.07	15.30	1.22	12.12	2.14	2.10	1.82	2.37	2.12	-
Employee related liabilities***												
- Related party (Refer Annexure XL)	-	1.45	-	1.00	-	1.30	-	0.84	-	0.96	-	0.99
- Others	-	22.68	-	20.85	-	20.85	-	18.81	-	16.45	-	10.86
	<b>1.42</b>	<b>220.32</b>	<b>1.07</b>	<b>229.57</b>	<b>1.22</b>	<b>264.40</b>	<b>2.14</b>	<b>242.86</b>	<b>1.82</b>	<b>240.06</b>	<b>2.12</b>	<b>173.36</b>
** Outstanding dues to micro and small enterprises.	-	-	-	-	-	0.42	-	-	-	-	-	-
***Employee related liabilities include payable to :-												
Payable to Chairman of the Parent Company	-	0.14	-	0.10	-	0.09	-	0.15	-	0.15	-	0.15
Payable to Managing Director of the Parent Company	-	0.78	-	0.76	-	1.14	-	0.35	-	0.57	-	0.60
Payable to Director of the Parent Company	-	0.14	-	0.07	-	0.07	-	0.08	-	-	-	-
Payable to relative of Managing Director of the Parent Company	-	0.10	-	0.07	-	-	-	-	-	-	-	-
Payable to Director of the Parent Company	-	-	-	-	-	-	-	0.26	-	0.24	-	0.24
Payable to Chief Financial Officer	-	0.25	-	-	-	-	-	-	-	-	-	-
Payable to Company Secretary	-	0.05	-	-	-	-	-	-	-	-	-	-

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>Long-term provisions</b>						
<b>Provision for employee benefits</b>						
Provision for Gratuity [Refer note 2 of Annexure XLI]	23.35	20.10	13.75	13.09	10.63	7.62
	<b>23.35</b>	<b>20.10</b>	<b>13.75</b>	<b>13.09</b>	<b>10.63</b>	<b>7.62</b>
<b>Short-term provisions</b>						
<b>Provision for employee benefits</b>						
Provision for Gratuity [Refer note 2 of Annexure XLI]	1.37	1.14	1.82	0.28	0.20	1.76
Provision for Compensated absences	31.46	27.45	21.93	22.34	15.37	12.08
<b>Other provisions</b>						
Provision for Wealth tax		-	-	-	-	0.11
	<b>32.83</b>	<b>28.59</b>	<b>23.75</b>	<b>22.62</b>	<b>15.57</b>	<b>13.95</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
<b>From Banks</b>						
a. Cash credit from banks (Secured)	391.26	209.37	332.20	1,190.75	979.02	217.52
b. Working capital demand loans from banks (Secured)	400.00	500.00	690.00	-	-	230.00
c. Buyers credit from banks (Secured)	625.90	590.36	784.39	890.44	728.95	657.84
d. Foreign currency loan from banks (Secured)	-	-	56.73	31.92	45.68	5.21
e. Vendor financing from a bank (Secured)	188.55	126.56	-	-	-	-
f. Bill discounting from banks (Secured)	302.35	305.82	322.22	479.54	297.41	223.32
g. Bill discounting from banks (Unsecured)	688.15	276.49	103.87	121.30	172.17	193.16
<b>From others</b>						
a. Bills Discounting from others (unsecured)	-	-	0.49	168.10	-	-
b. From related parties (unsecured)* (Refer Annexure XL)	19.33	20.42	20.95	42.67	-	17.91
	<b>2,615.54</b>	<b>2,029.02</b>	<b>2,310.85</b>	<b>2,924.72</b>	<b>2,223.23</b>	<b>1,544.96</b>
<b>The above amount includes:</b>						
Secured borrowings	1,908.07	1,732.11	2,185.54	2,592.65	2,051.06	1,333.88
Unsecured borrowings	707.47	296.91	125.31	332.07	172.17	211.08
	<b>2,615.54</b>	<b>2,029.02</b>	<b>2,310.85</b>	<b>2,924.72</b>	<b>2,223.23</b>	<b>1,544.96</b>

\* Loan from related parties and director's relatives

The security and rate of interest of the current loans at December 31, 2017 are as given below:-

Lender	Nature of Facility	Loan Currency	Amount outstanding as at December 31, 2017 (Rs. In millions)	Rate of Interest during the year	Repayment terms	Security/Principal terms and Conditions
HDFC Bank	Cash Credit (secured)	INR	78.36	9.50% to 10.10%	Repayable on demand	Refer Note a) below
State Bank Of India	Cash Credit (secured)	INR	232.04	10.15% to 10.40%	Repayable on demand	Refer Note a) below
Axis Bank	Cash Credit (secured)	INR	31.69	9.75%	Repayable on demand	Refer Note a) below
State Bank Of India	Cash Credit (secured)	INR	43.51	MCLR plus 2%	Repayable on demand	Refer Note b) below
State Bank Of India	Cash Credit (secured)	INR	5.66	10.00% - 11.65%	Repayable on demand	Refer Note c) below
HDFC Bank	Working capital demand loans (secured)	INR	100.00	8.80%	For a period not exceeding 3 months from drawdown date	Refer Note a) below
State Bank Of India	Working capital demand loans (secured)	INR	100.00	9.25% to 10.00%	For a period not exceeding 3 months from drawdown date	Refer Note a) below
State Bank Of India	Working capital demand loans- Indian Rupees (secured)	INR	100.00	9% to 9.50%	For a period not exceeding 3 months from drawdown date	Refer Note b) below
State Bank Of India	Working capital demand loans- Indian Rupees (secured)	INR	100.00	9.50%	For a period not exceeding 3 months from drawdown date	Refer Note c) below
HDFC Bank	Buyer's Credit (Secured)	USD	388.47	1.1944 % to 2.1700 %	For a period not exceeding 6 months from drawdown date	Refer Note a) below

Axis Bank	Buyer's Credit (Secured)	USD	237.44	1.6812 % to 1.7640 %	For a period not exceeding 3 months from drawdown date	Refer Note a) below
State Bank Of India	Vendor Financing (secured)	INR	188.55	8.30%	For a period not exceeding 3 months from drawdown date	Refer Note a) below
HDFC Bank	Bill discounting from banks ( secured )	INR	242.27	8.50% to 9.50%	For a period not exceeding 3 months from drawdown date	Refer Note a) below
HDFC Bank	Bill discounting from banks ( secured )	INR	39.23	8.50%	For a period not exceeding 3 months from drawdown date	Refer Note b) below
Axis Bank	Bill discounting from banks ( secured )	INR	20.85	8.50%	For a period not exceeding 3 months from drawdown date	Refer Note b) below
China trust Commercial Bank	Bill discounting from banks ( unsecured )	INR	121.96	7.95% to 9.06%	For a period not exceeding 3 months from drawdown date	Refer Note d) below
Axis Bank	Bill discounting from banks ( unsecured )	INR	278.71	8.55%	For a period not exceeding 3 months from drawdown date	Unsecured
Shinhan Bank	Bill discounting from banks ( unsecured )	INR	137.53	7.60%	For a period not exceeding 3 months from drawdown date	Unsecured
Kotak Mahindra Bank	Bill discounting from banks ( unsecured )	INR	149.95	10.25%	For a period not exceeding 3 months from drawdown date	Unsecured
Suvidhi Financial Services Limited	From related parties (unsecured)	INR	19.33	12.00%	Repayable on demand	Unsecured

a) Working capital demand loans including Buyer's Credit, Cash Credit, Bills Discounting and vendor financing facilities are secured by way of First pari passu charge with other member banks of consortium on all the current assets of the Parent Company including all type of stocks lying in their factories, godowns, elsewhere (including GIT) and parent Company's book debts (present and future). It is further secured by way of second pari-passu charge with other working capital lenders under consortium on fixed assets (present and future) of the Parent Company except vehicles specifically hypothecated against vehicle loans and assets charged to SIDBI. It is further secured by way of equitable mortgage under first pari passu charge of the property at Millennium Plaza Limited, 001B and 001C, Tower "A" Ground Floor, Sector 27, Gurgaon owned by Shri. Gauri Shankar Agarwala and Shri. Mohan Agarwal, promoter directors. Equitable mortgage under first pari passu charge also provided of property owned by Shri. Mohan Agarwal at Nav Shakti Co-operative Group Housing Society B-43, Plot No.5, Sector - 9, Rohini, New Delhi. Further, personal guarantee is also given by Shri. Gauri Shankar Agarwala and Shri. Mohan Agarwal, promoter directors of the Parent Company.

b) Working capital credit facility is secured by way of first charge on entire current assets of CMR Nikkei India Private Limited (both present and future) including hypothecation of all stocks of raw materials, stores, spares, stocks in process, finished goods, etc., lying in factory, go-downs, elsewhere and including goods in transit and receivables / book debts. It is further secured by way of extension of charge over the fixed assets of the CMR Nikkei India Private Limited, including equitable mortgage of factory land & building at Plot No. 65, Sector 15, Bawal Industrial Area, Bawal, Haryana. It is further secured by corporate guarantee of Nikkei MC Aluminum Co. Ltd.

c) Working capital Credit facility is secured by way of first charge on entire current assets of CMR Toyotsu Aluminium India Private Limited (both present and future) including hypothecation of all stocks of raw materials, stores, spares, stocks in process, finished goods, etc., lying in factory, go-downs, elsewhere and including goods in transit and receivables / book debts. It is further secured by way of extension of first charge over the fixed assets of CMR Toyotsu Aluminium India Private Limited, including Equitable mortgage of factory land & building at Plot No. A-4, A-5 SIPCOT Industrial Park at Pillaipakkam, Sriperumpudur, District Kanchipuram, Chennai.

d) Personal guarantee is given by Shri. Mohan Agarwal, promoter director of the Parent Company.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XXV: RESTATED IND AS CONSOLIDATED STATEMENT OF TRADE PAYABLES

(Rs. in millions)												
Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
(at amortised Cost)	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
<b>Trade payables</b>												
Dues to micro enterprises and small enterprises (refer note 7 of Annexure XLI for details of dues to micro and small enterprises)	-	0.70	-	1.92	-	0.04	-	-	-	-	-	-
Dues to others												
- Related parties (Refer Annexure XL)*	-	388.34	-	412.14	-	412.67	-	250.78	-	-	-	-
- Others	-	761.38	-	369.90	-	645.91	-	580.12		499.56	-	358.68
	-	<b>1,150.42</b>	-	<b>783.96</b>	-	<b>1,058.62</b>	-	<b>830.90</b>	-	<b>499.56</b>	-	<b>358.68</b>
*includes payable to following related parties												
Toyota Tshusho India Private Limited	-	388.09	-	411.89	-	412.43	-	250.17	-	-	-	-
Toyota Tshusho Corporation	-	-	-	-	-	-	-	0.61	-	-	-	-
Nikkei MC Aluminium Co. Limited	-	0.25	-	0.25	-	0.25	-	-	-	-	-	-
<b>Terms and conditions of the above financial liabilities:</b>												
a) Trade payables are non-interest bearing and are normally settled on 0-60 days terms												
b) For terms and conditions with related parties, Refer Annexure XL												
c) For explanations on the Company's credit risk management processes, refer note 7 of Annexure XLI												
The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.												
The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.												

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Annexure XXVI: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER LIABILITIES

(Rs. in millions)

Particulars	As at 31 December 2017		As at 31 March 2017		As at 31 March 2016 (Proforma)		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)		As at 31 March 2013 (Proforma)	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Advance received from customers	-	45.26	-	15.56	-	17.26	-	14.54	-	9.72	-	2.32
Interest on Income tax	-	5.90	-	3.90	-	-	-	-	-	-	-	1.43
Deferred Government grant	31.05	7.64	36.78	8.56	6.93	1.24	8.17	1.90	7.28	8.02	6.77	9.84
Taxes and other statutory dues	-	24.54	-	92.52	-	73.02	-	100.69	-	23.38	-	25.80
Unearned interest income	-	1.06	-	-	-	-	-	-	-	-	-	-
	<b>31.05</b>	<b>84.40</b>	<b>36.78</b>	<b>120.54</b>	<b>6.93</b>	<b>91.52</b>	<b>8.17</b>	<b>117.13</b>	<b>7.28</b>	<b>41.12</b>	<b>6.77</b>	<b>39.39</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.



**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXVII: RESTATED IND AS CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Revenue from operations</b>						
Sale of products						
Finished products	16,090.73	20,932.57	19,694.49	18,247.64	13,673.26	12,898.18
Traded products	38.33	1,328.54	1,561.03	535.40	36.97	30.61
<b>Other operating revenues</b>						
Sale of services *	13.25	16.02	9.93	24.28	19.26	23.71
Sale of Scrap and Others**	2,012.21	1,886.38	2,138.86	2,074.33	1,026.06	708.81
Export Incentive	0.10	-	0.77	11.81	1.24	-
<b>Revenue from operations (gross)</b>	<b>18,154.62</b>	<b>24,163.51</b>	<b>23,405.08</b>	<b>20,893.46</b>	<b>14,756.79</b>	<b>13,661.31</b>

\* Sale of services is in the nature of job works executed.

\*\* Sale of scrap & other is in the nature of segregated scrap, ash and residue sales.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXVIII: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER INCOME**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)	Recurring / Non recurring Income	Related / Not related to business
Interest income on:								
- Bank deposits	5.54	9.12	11.33	11.26	7.93	5.92	Recurring	Not Related
- Income tax refunds	3.94	0.34	-	-	-	0.20	Non Recurring	Not Related
- From customers and others	5.78	18.14	15.60	27.85	28.58	14.05	Recurring	Not Related
Rental income	0.13	0.09	0.11	0.11	0.07	-	Recurring	Not Related
Profit on sale of non current investments	-	-	0.00	0.01	-	-	Non Recurring	Not Related
Profit on sale of current investments	-	-	-	-	0.06	-	Non Recurring	Not Related
Corporate gurantee commission	4.78	4.79	6.94	2.63	5.55	-	Recurring	Not Related
Sundry balances written back (net)	-	-	-	-	0.97	-	Non Recurring	Related
Subsidy from Commercial Tax Department	7.52	14.80	7.25	0.82	5.99	2.24	Recurring	Related
Dividend income	-	-	-	-	5.37	3.27		
Gain on fair valuation of equity shares held as investment	0.46	0.93	-	-	-	-	Non Recurring	Non Related
Fluctuation in foreign exchange (net)	8.36	14.88	-	2.59	-	-	Non Recurring	Related
Amortisation of government grant	6.54	2.55	1.29	3.42	8.88	8.43	Non Recurring	Non Related
Sales tax refund	-	-	-	-	3.49	-	Non Recurring	Related
Other non operating income	0.10	0.01	0.03	0.18	0.10	0.16	Non Recurring	Non Related
	<b>43.15</b>	<b>65.65</b>	<b>42.55</b>	<b>48.87</b>	<b>66.99</b>	<b>34.27</b>		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Group as determined by the management.

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXIX: RESTATED IND AS CONSOLIDATED STATEMENT OF COST OF RAW MATERIALS CONSUMED**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Inventory at the beginning of the period/year	1,218.04	1,394.35	1,285.91	877.81	664.31	198.90
Inventory acquired pursuant to acquisition of subsidiary	-	-	-	198.95	-	-
Add : Purchases during the period / year	15,997.51	17,742.18	18,079.56	16,989.73	12,299.49	11,429.64
Less: Inventory at the end of the period/year	2,142.79	1,218.04	1,394.35	1,285.91	877.81	664.31
<b>Cost of raw materials consumed</b>	<b>15,072.76</b>	<b>17,918.49</b>	<b>17,971.12</b>	<b>16,780.58</b>	<b>12,085.99</b>	<b>10,964.23</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXX: RESTATED IND AS CONSOLIDATED STATEMENT OF PURCHASE OF TRADED GOODS**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Purchase of Traded Goods	27.45	1,185.61	1,315.27	480.45	34.56	29.23
	<b>27.45</b>	<b>1,185.61</b>	<b>1,315.27</b>	<b>480.45</b>	<b>34.56</b>	<b>29.23</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXXI: RESTATED IND AS CONSOLIDATED STATEMENT OF (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
<b>Inventory at the end of the year</b>						
Finished goods	197.05	153.99	85.15	269.01	116.63	118.34
Work In Progress	-	-	-	-	1.57	-
	<b>197.05</b>	<b>153.99</b>	<b>85.15</b>	<b>269.00</b>	<b>118.20</b>	<b>118.34</b>
<b>Inventory at the beginning of the year</b>						
Finished goods	<b>153.99</b>	85.15	269.01	116.63	118.34	45.07
Work In Progress	-	-	-	1.57	-	-
	<b>153.99</b>	<b>85.15</b>	<b>269.01</b>	<b>118.20</b>	<b>118.34</b>	<b>45.07</b>
<b>Inventory acquired pursuant to acquisition of subsidiary</b>						
Finished Goods	-	-	-	2.12	-	-
	-	-	-	<b>2.12</b>	-	-
<b>(Increase)/decrease in inventories</b>						
Finished goods	<b>(43.06)</b>	<b>(68.84)</b>	<b>183.86</b>	<b>(150.26)</b>	<b>1.72</b>	<b>(73.27)</b>
Work-in-progress	-	-	-	1.57	(1.57)	-
	<b>(43.06)</b>	<b>(68.84)</b>	<b>183.86</b>	<b>(148.68)</b>	<b>0.14</b>	<b>(73.27)</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXXII: RESTATED IND AS CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Salaries, wages and bonus	396.37	441.28	438.60	432.39	287.79	265.21
Contribution to provident and other funds	11.54	13.90	13.22	13.28	9.77	9.90
Gratuity expense (refer note 2 in Annexure XLI)	4.70	5.33	4.15	3.83	3.19	2.70
Staff welfare expenses	17.08	22.97	26.50	19.40	12.81	10.90
	<b>429.69</b>	<b>483.48</b>	<b>482.47</b>	<b>468.90</b>	<b>313.56</b>	<b>288.71</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement

Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Annexure XXXIII: RESTATED PREVIOUS GAAP CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Depreciation on Property, plant & equipments (refer Annexure VII)	126.65	166.88	163.75	142.89	68.79	53.36
Amortisation of intangible assets (refer Annexure VIII)	5.01	5.41	2.16	1.49	1.20	0.91
	<b>131.66</b>	<b>172.29</b>	<b>165.91</b>	<b>144.38</b>	<b>69.99</b>	<b>54.27</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXXIV: RESTATED IND AS CONSOLIDATED STATEMENT OF FINANCE COST**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Interest expense*	171.31	309.43	349.23	386.33	236.33	237.05
Exchange difference to the extent considered as an adjustment to borrowing cost	23.74	24.51	107.16	44.50	43.07	17.04
Other borrowing costs	12.12	14.37	21.31	16.22	11.59	11.39
	<b>207.17</b>	<b>348.31</b>	<b>477.70</b>	<b>447.05</b>	<b>290.99</b>	<b>265.48</b>
* including interest on income tax (Rs. in millions)	7.10	3.99	0.56	0.05	-	1.43

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.



**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**  
**Annexure XXXV: RESTATED IND AS CONSOLIDATED STATEMENT OF OTHER EXPENSES**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
Consumption of stores and spares	56.08	57.52	58.02	70.59	49.27	54.77
Consumption of packaging materials	5.37	7.34	7.46	5.13	4.51	4.55
Power and Fuel	433.21	467.56	411.06	591.90	502.98	467.80
Repairs and maintenance of :						
Plant and Equipment	68.71	75.41	64.03	52.14	34.07	28.46
Buildings	8.74	14.19	11.77	7.03	5.77	7.06
Others	8.58	7.76	3.37	3.13	1.97	0.99
Excise duty on variation in inventory	(14.19)	7.19	(16.73)	16.82	(0.31)	4.33
Rent	40.38	48.05	42.17	37.52	27.63	21.28
Rates and taxes	2.60	3.74	4.00	4.46	4.14	3.29
Insurance charges	4.57	7.05	6.42	6.44	3.83	1.97
Advertisement, publicity and sales promotion	4.37	3.78	2.55	6.41	2.90	2.78
Travelling and conveyance expenses	14.66	13.20	15.29	18.44	14.18	9.34
Security service expenses	8.40	12.08	11.98	11.43	8.24	7.13
Vehicle running and maintenance	6.03	4.85	4.88	4.60	3.09	4.57
Printing and stationery	1.59	2.66	3.00	2.93	2.16	1.82
Communication expenses	2.75	3.45	5.01	5.43	3.39	2.54
Dross melting expenses	19.96	21.93	22.19	17.72	23.27	20.28
Dross processing expenses	3.08	4.16	3.07	5.17	4.93	5.31
Payment to statutory auditors (Refer details below)	2.88	3.79	3.76	3.49	1.04	0.56
Legal, professional and consultancy Charges	18.87	29.40	20.06	17.65	13.30	8.41
Freight and forwarding expenses	58.72	73.05	58.62	51.13	29.81	33.25
Charity and donation	0.21	0.02	0.52	0.32	0.26	0.98
Bank charges	9.66	12.71	19.07	11.07	7.90	7.80
Loss on disposal of Property, plant & equipments and Intangibles (net)	2.07	10.80	5.17	1.19	1.67	1.06
Loss on Fair valuation of shares	-	-	0.37	0.12	-	-
Loss in foreign exchange fluctuations (net)	-	-	8.99	-	60.25	14.68
Bad Debts/ advances written off (net)	0.29	2.96	0.87	1.82	-	7.48
Commission & Brokerage-Sales	3.72	-	-	-	-	-
Provision for doubtful receivable	-	-	-	16.65	6.66	6.65
Directors Sitting Fees	0.60	0.61	0.60	0.40	-	0.02
Pre-operative and CWIP expenses written off	-	-	-	8.13	-	-
Miscellaneous Expenses	14.67	14.68	12.18	10.44	10.66	9.02
	<b>786.58</b>	<b>909.94</b>	<b>789.75</b>	<b>989.70</b>	<b>827.57</b>	<b>738.18</b>

**Details of statutory auditors :**

(Rs. in millions)

Particulars	For the period ended 31 December 2017	For the year ended 31 March 2017	For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
As auditor:						
Audit fees	2.65	3.05	3.00	2.52	0.55	0.44
Tax audit fees	-	0.10	0.15	0.55	0.10	0.10
<b>In other capacity</b>						
Other services	0.06	0.03	0.36	0.36	0.35	-
Reimbursement of expenses	0.17	0.61	0.25	0.06	0.04	0.02
	<b>2.88</b>	<b>3.79</b>	<b>3.76</b>	<b>3.49</b>	<b>1.04</b>	<b>0.56</b>

The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group.

The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI.

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
ANNEXURE XXXVI: RESTATED IND AS CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	For the period ended 31 December 2017		For the year ended 31 March 2017		For the year ended 31 March 2016 (Proforma)	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)	For the year ended 31 March 2013 (Proforma)
	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus	Before considering the impact of bonus	After considering the impact of bonus
<b>A</b> Restated Net Worth (Rs. in millions)	3,646.93	3,646.93	2,940.95	2,940.95	2,206.61	2,206.61	2,121.09	2,121.09
<b>B</b> Restated Net profit/ (loss) after tax attributable to equity shareholders (Rs. in millions)	613.10	613.10	644.83	644.83	21.85	21.85	(8.18)	(8.18)
<b>Weighted average number of equity shares outstanding during the period/year</b>								
<b>C</b> For basic earnings per share	54,55,695	2,18,22,780	54,55,695	2,18,22,780	54,55,695	2,18,22,780	55,54,475	2,22,17,900
<b>D</b> For diluted earnings per share	69,86,539	2,33,53,624	69,86,539	2,33,53,624	69,86,539	2,33,53,624	70,85,319	2,37,48,744
<b>E</b> Number of shares outstanding at the end of the period/year	69,86,539	2,33,53,624	69,86,539	2,33,53,624	69,86,539	2,33,53,624	69,86,539	2,33,53,624
<b>F</b> Restated basic earnings per share (B/C)	112.38 *	28.09 *	118.19	29.55	4.01	1.00	(1.47)	(0.37)
<b>G</b> Restated diluted earnings per share (B/D)	87.75 *	26.25 *	92.30	27.61	3.13	0.94	(1.15)	(0.34)
<b>H</b> Return on net worth (%) (B/A)	16.81%	16.81%	21.93%	21.93%	0.99%	0.99%	-0.39%	-0.39%
<b>I</b> Net assets value per equity share (A/E)	521.99 *	156.16 *	420.94	125.93	315.84	94.49	303.60	90.82

\* not annualised

**Notes:**

- a) The figures above disclosed are based on the restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.  
b) The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements- Annexure VI

- c) The ratio has been computed as below

$$\text{Basic earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the year\#}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Restated Net profit after tax}}{\text{Restated Net Worth}}$$

$$\text{Net assets value per share (Rs.)} = \frac{\text{Restated Net Worth}}{\text{Number of equity shares as at the period/year end \#}}$$

- d) Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning per share.

- e) The Parent Company has issued bonus shares in the ratio of 3:1 on 14th may, 2018. Accordingly increased share capital has been considered for computing EPS and Net Assets value per equity share.

**Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**Annexure XXXVII: CAPITALISATION STATEMENT AS AT DECEMBER 31, 2017**

(Rs. in millions)

Particulars	Pre Issue As at 31 December 2017	Post issue as at *
<b>Borrowings :</b>		
Short Term	2,615.54	
Long Term (A) **	466.07	
Total Borrowing (B)	3,081.62	
<b>Restated Shareholders' Fund</b>		
Share Capital	69.86	
Restated Reserves and surplus	3,090.36	
Non Controlling Interest	486.71	
Restated Total Shareholders' Fund (C)	3,646.93	
Long term Borrowings / Equity Ratio (A/C)	12.78%	
Total Borrowings / Equity Ratio (B/C)	84.50%	

\* The Post issue Share capital, Reserves & Surplus and debt equity ratio can be calculated only on the conclusion of Initial Public offer (IPO).

\*\* including Rs.150.15 millions maturing in next year.

Notes:

1. The long term borrowings / equity ratio has been computed as under:  
Long term borrowings / total shareholders' Funds
2. The total borrowings / equity ratio has been computed as under:  
Total borrowings / total shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.

Subsequent to 31 December 2017, the issued, subscribed and paid-up equity share capital of the Company has increased due to issue of bonus shares in

5. the ratio of 3:1 from 54.56 million comprising of 54,55,695 equity shares of 10 each to 218.23 million comprising of 2,18,22,780 equity shares of 10 each.

6. The figures disclosed above are based on the Restated Consolidated Summary Statements of assets and liabilities of the Company.

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XXXVIII**

**Notes to Restated Ind AS Consolidated Statement of Leases**

**a) Finance Lease**

The Group has not acquired any asset on finance lease.

**b) Operating lease : Group as lessee**

The Group has taken various factory premises, office premises and plant and machinery under operating lease agreements for period ranging from 1-10 years.

The Group has made following operating lease payments during the last five financial years.

(Rs. in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Operating Lease Payments	40.38	48.05	42.17	37.52	27.63	21.28

**Future minimum rentals payable under non-cancellable operating leases .**

(Rs. in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Within one year	-	-	13.16	14.08	12.24	20.71
After one year but not more than five years	-	-	13.16	14.08	28.15	42.79
More than five years	-	-	-	-	-	-
	-	-	<b>26.32</b>	<b>28.16</b>	<b>40.39</b>	<b>63.50</b>

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**  
**ANNEXURE XXXIX**  
**Notes to Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital commitments**

**A. Capital and other commitments**

(Rs in millions)						
Particulars	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Estimated amount of contracts (net of advances) remaining to be executed on Capital Account and not provided for	46.66	28.30	46.86	55.38	84.89	204.63

**B. Contingent Liabilities**

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>i) Under Customs Act, 1962</b>						
- The Customs Authorities have been increasing the value of imported aluminium scrap for the purpose of levy of duty of Customs thereon against the Parent Company and two of its subsidiaries. The Parent Company and two of its subsidiaries has paid excess Customs duty for clearing of such consignments and have filed appeal before the Commissioner of Customs Appeal against such value enhancement with consequential relief of refund of excess duty. On rejection of the appeal by the Commissioner of Customs Appeal, the Parent Company and two of the subsidiaries has filed further appeal before CESTAT. The excess customs duty paid by the the Parent Company and two of its subsidiaries amounting to Rs. 74.57 million (December 31, 2017).	74.57	25.04	1.81	-	-	-
The Customs Authorities have been increasing the value of imported aluminium scrap for the purpose of levy of duty of Customs thereon against one of the subsidiary company namely Sanjeevani Non ferrous Private Limited. The said subsidiary company has paid excess Customs duty for clearing of such consignments and have filed appeal before the Commissioner of Customs Appeal against such value enhancement with consequential relief of refund of excess duty. On rejection of the appeal by the Commissioner of Customs Appeal, the subsidiary company has filed further appeal before CESTAT. In one such appeal filed by us, CESTAT Allahabad by its order dated 17/1/2017 has allowed the appeal and set-aside the enhancement of transaction value by the Customs Authorities and directed them to reassess duty on the basis of the transaction value of the goods and to refund the excess customs duty paid by the importer. However, the department has filed an appeal before the Supreme Court of India against the order passed by CESTAT Allahabad dated 17/1/2017 which is pending. The excess customs duty paid by the Company amounting to Rs. 181.62 million (December 31, 2017), is appearing under the head "Balances with statutory/ government authorities" in "Other Current Assets" in Annexure XIII to the Consolidated Financial Statements.	181.62	54.34	-	-		
- Other demands of The Parent Company under appeals	5.43	5.43	5.43	5.43	5.43	4.63
	<b>261.62</b>	<b>84.81</b>	<b>7.24</b>	<b>5.43</b>	<b>5.43</b>	<b>4.63</b>
<b>ii) Demands raised under Central Excise Act, 1944</b>						
- Demand raised by Commissioner of Central Excise, Alwar disallowing CENVAT credit to the extent of Rs. 152.09 million (including penalty) on the ground that the Parent Company has unauthorizedly taken Cenvat credit on imported aluminium scrap for the period from 1/10/2015 to 30/6/2017 against challans issued by Dadri Division of the Parent Company which is not a proper document for taking Cenvat credit. The Parent Company has filed an appeal against the said order which is pending before CESTAT, New Delhi. Since the earlier demand on the same basis has been set aside by CESTAT, the present demand is also liable to be set-aside. However, as of now, it can be said that there is a contingent liability of Rs. 152.09 million against the Parent Company, since the Commissioner's order has not been set-aside. The matter is fixed for final hearing before CESTAT on 20/6/2018.	152.09	-	-	-	-	-
- Demand raised by Commissioner of Central Excise, Alwar disallowing CENVAT credit for the period 13.11.2014 to 30.09.2015 (including penalty) on the ground that Cenvat credit on imported aluminium scrap has been taken on the basis of Excise challans issued by the Dadri Division of the Parent Company, are not valid documents for taking Cenvat credit. Further, demand for the period from 2012-13 to 31 July 2015 was raised on the ground that sales of segregated items from aluminium scrap are liable for reversal of Cenvat credit. The Parent Company filed an appeal before the CESTAT, New Delhi and against the said order. CESTAT vide order dated 23/11/2017 set aside the order passed by the Commissioner Central Excise, Alwar and remanded back the case to the Commissioner of Central Excise, Alwar with a direction to allow Cenvat Credit after verification that the goods have been received in the factory of the Parent Company at Bhiwadi and also to reconsider the reversal of Cenvat credit on sales of segregated items on the basis of circular issued by CBEC clarifying that segregation of unusable items from brass scrap amounts to manufacture and the sale of such segregated items is liable to be taxed on the basis of sale value thereof at the rate of duty applicable on the items sold. The Commissioner of Central Excise, Alwar has yet to pass a revised order. As of now, the demand raised by the Commissioner of Central Excise, Alwar against the Parent Company stands set aside.	181.21	181.21	85.61	-	-	-
- In the Parent Company, demand (including penalty) for the period from August 01, 2015 to June, 2017 was raised on account of non reversal of Cenvat credit on sales of segregated items on the ground that segregated items from aluminium scrap are unsuitable for the manufacture of their finished goods i.e., Aluminium Ingot or molten and does not constitute a manufacturing activity.	33.03	-	-	-	-	-
The Group is in the process of filing appeal.						

- In the Parent Company, demands (including) raised based on a special audit of the Group on account of:	29.05	29.05	16.28	-	-	-
(a) Non-payment / short payment of service tax on services received by the Group under reverse charge						
(b) Non-payment / short payment of service tax on services provided by the Group						
(c) Non reversal of CENVAT Credit on input removal as such and on capital goods sold after use.						
(d) Wrong availment of CENVAT Credit of central excise duty on ineligible inputs and input services.						
The Group has filed an appeal.						
- In the Parent Company, demand (including penalty) raised on the shortages noted during the search conducted by the Excise officers of the factory premises of the Group.	12.28	12.28	12.28	12.28	12.28	12.28
The Group had filed an appeal and now the matter has been referred back to the divisional bench						
- Other demands of Parent Company raised under Central Excise Act, 1944 under appeals.	19.43	18.59	15.42	12.36	12.36	12.36
	<b>427.09</b>	<b>241.13</b>	<b>129.59</b>	<b>24.64</b>	<b>24.64</b>	<b>24.64</b>
<b>iii) Demands raised under Sales Tax Act under appeal for various years</b>						
- In Parent Company, demand raised (including equal amount of interest) on wrong availment of Input tax credit on against Input tax paid on the purchase of DEPB License.	17.10	17.10	17.10	17.10	17.10	17.10
The Group is in appeal.						
- Other demands of Parent Company raised under Sales Tax Act under appeals	1.34	7.79	7.79	9.71	8.96	8.96
- In one of the subsidiary security is provided to Commercial Tax Department, Noida by way of Bank Guarantee towards 40% of the value of goods released after verification of documents.	-	-	1.64	-	-	-
- In one of the subsidiary amount deposited under protest with Commercial Tax Department, Karnataka.	0.22	0.22	-	-	-	-
- In one of the subsidiary, notice has been received from Sale tax Department on account of wrong availment of Input Tax Credit etc in FY 2013-14.	0.27	-	-	-	-	-
- In one of the subsidiary company, a notice has been received from the Sales Tax Department according to which the place of business was audited by the Enforcement Wing Officials who noticed certain defects based on which certain proposals for additions have been made on account of (a) ineligible ITC credit on capital goods, (b) Difference in purchase turnover which is liable to tax/reversal, (c) Non availability of C Forms from registered and unregistered dealers, (d) Short excise duty paid on job-work (sales of services).	77.45	-	-	-	-	-
The notice required the said company to file its objections which were duly filed by the Company in the stipulated time as per the notice. Post filing of objections by the said company, no further notice of demand/Show Cause Notice/Any other communication has been received by the said company.						
On a conservative basis, the amount involved has been disclosed as "contingent liability".						
- Other demands of subsidiary company raised under Sales Tax Act.	9.83	-	-	-	-	-
	<b>106.21</b>	<b>25.11</b>	<b>26.53</b>	<b>26.81</b>	<b>26.06</b>	<b>26.06</b>
<b>iv) Demand raised under Income Tax Act, 1961:</b>						
- In the Parent Company, based on a survey conducted by Income Tax Department on 26.03.2015 subsequent to a search operation conducted by the Central Excise Department, the assessing officer made additions and raised demand alleging suppression and non-reporting of sales of aluminium dross sold in the guise of "ash and residue".	62.60	62.60	-	-	-	-
The matter is pending before the ITAT.						
- In one of the subsidiary the Income Tax Authority at New Delhi raised a demand vide order dated 23.03.2016 u/s 148 read with 143(3) of Income Tax Act, 1961 for A.Y. 2008-09. The Group has filed the appeal against such order before CIT (A)-8, New Delhi. According to the advice from the experts received by the Group the entire matter is liable to be set aside as there is no substance in such order and no positive evidence is brought on the record by the said A.O. against the Group. The Group is confident that the matter will be decided in its favour since there is very strong case in its favour before said CIT (A).	4.85	4.85	-	-	-	-
- In one of the subsidiary demands under section 245 of Income Tax Act, 1961 under rectification for A.Y. 13-14	0.05	0.05	0.05	-	-	-
- In one of the subsidiary TDS Default for various years	-	0.05	-	-	-	-
	<b>67.50</b>	<b>67.55</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(vi) Other Miscellaneous demands</b>						
- In one of the subsidiary claim Against Group Not Acknowledged As Debts	0.46	0.42	0.17	-	-	-
	<b>0.46</b>	<b>0.42</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

Based on the favourable decisions in similar cases, assessment of in-house legal advisor, discussions with the consultants and legal opinions obtained by the Group in case of (i) to (iv) above, the Group believes that it has good merits on the matters and hence no provision there-against is considered necessary.

In accordance with the requirements of IND AS -24 'Related Party Disclosures' , names of the related parties, related party relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during the period are:

**(i) Names of related parties and related party relationship**

**(a) Key management personnel and their relatives**

Shri Gauri Shankar Agarwala- Chairman in CMRT and CMR and Director in CMRN and SNFT  
Shri Mohan Agarwal- Managing Director (Parent Group)  
Shri Akshay Agarwal - Relative of Mohan Agarwal and Gauri Shankar Agarwal (w.e.f July 01, 2014 & became Director w.e.f November 17, 2017)  
Shri Raghav Agarwal- Relative of Shri Mohan Agarwal and Shri Gauri Shankar Agarwal (w.e.f. October 13, 2016)  
Smt. Kalawati Agarwal- Relative of Shri Mohan Agarwal and Shri Gauri Shankar Agarwal  
Smt. Pratibha Agarwal- Relative of Shri Mohan Agarwal and Shri Gauri Shankar Agarwal  
Shri Sandeep Shaw - Group Chief Financial Officer ( From May 01, 2017 to December 31,2017)  
Shri Mayank Pareek- Director in CMRT, CMRN & SNFT and Executive Director in CMR (till 29th January, 2016)  
Smt. Apoorva Pareek- Relative of Shri Mayank Pareek (till 29th January, 2016)  
Shri Ajay Bansal - Group Chief Financial Officer (Joined on August, 2014 & Resigned wef 8 July 2016)  
Shri. Deepak Goel-Group Group Secretary (till July, 2013)  
Shri Pradeep Singh- Group Secretary (W.e.f September'13)  
Mohan Agarwal (HUF)  
Gauri Shankar Agarwala (HUF)  
Shri R. Baskar- CEO of CMRT (till October 30, 2014)

**(b) Associates**

Suvridhi Financial Services Limited

**(c) Enterprises owned or significantly influenced by key management personnel and their relatives**

Grand Metal Industries Private Limited  
Grand Metal Recycling Private Limited

**(d) Joint Venture Partners of Subsidiaries**

- (i) Joint Venture Partner in CMR-Nikkei India Private Limited :- Nikkei MC Aluminium Co. Limited
- (ii) Joint Venture Partner in CMR-Toyotsu Aluminium India Private Limited :- Toyota Tshusho Corporation

**(e) Subsidiaries of Joint Venture Partners**

- (i) Subsidiary of Joint Venture, TTC :- Toyota Tshusho India Private Limited ( w.e.f F.Y. 2014-2015)
- (ii) Subsidiary of Joint Venture, TTC :- Toyotsu Smelting Technology Corporation ( w.e.f F.Y. 2013-14 till F.Y. 2015- 16 )

**(f) Additional related parties as per Companies Act 2013, with whom transactions have taken during the year**

Nil



Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
ANNEXURE XL  
Restated Ind AS Consolidated Statement of Related Party Transactions

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant financial year:

Particulars	(Rs in millions)					
	Key management personnel & their relatives					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Remuneration Paid</b>						
Shri Gauri Shankar Agarwala***	1.98	2.42	2.40	2.40	2.40	2.40
Shri Mohan Agarwal****	11.70	18.65	20.47	17.47	11.24	11.79
Shri Akshay Agarwal***	1.71	2.35	1.93	1.35	-	-
Shri Raghav Agarwal***	1.24	0.81	-	-	-	-
Mr. Deepak Goel	-	-	-	-	0.14	0.53
Shri Pradeep Singh	0.70	0.93	0.80	0.75	0.36	-
Shri Mayank Pareek	-	-	5.63	4.80	4.80	4.80
Shri Ajay Bansal	-	-	0.36	1.40	-	-
Shri R. Baskar	-	-	-	3.91	3.58	-
Mr. Sandeep Shaw***	3.53	-	-	-	-	-
*** The remuneration doesn't include variable pay which is payable for the period October'17 to December'17						
**** including rent free accommodation paid to landlords (related parties) already disclosed above.						
<b>Loan Transactions During the year</b>						
<b>Shri Gauri Shankar Agarwala</b>						
Loan taken during the year	-	-	-	-	0.71	1.98
Loan Repayment during the year	-	-	-	-	3.28	0.16
<b>Shri Mohan Agarwal</b>						
Loan taken during the year	-	-	-	-	0.80	5.38
Loan Repayment during the year	-	-	-	-	6.06	0.50
<b>Smt. Kalawati Agarwal</b>						
Loan taken during the year	-	-	-	-	0.11	6.63
Loan Repayment during the year	-	0.09	0.59	-	6.69	0.25
<b>Smt. Pratibha Agarwal</b>						
Loan taken during the year	-	-	-	-	0.11	0.63
Loan Repayment during the year	-	0.00	-	0.03	2.02	2.27
<b>Mohan Agarwal (HUF)</b>						
Loan taken during the year	-	-	-	-	0.10	0.23
Loan Repayment during the year	-	-	-	-	0.41	-
<b>Gauri Shankar Agarwala (HUF)</b>						
Loan taken during the year	-	-	-	-	-	1.23
Loan Repayment during the year	-	-	-	-	1.29	-
<b>Loan acquired on account of acquisition</b>						
Smt. Kalawati Agarwal	-	-	-	0.66	-	-
Smt. Pratibha Agarwal	-	-	-	0.03	-	-
<b>Interest on loan</b>						
Shri Gauri Shankar Agarwala	-	-	-	-	0.13	0.12
Shri Mohan Agarwal	-	-	-	-	0.12	0.17
Smt. Kalawati Agarwal	-	0.00	0.02	0.07	0.09	0.44
Smt. Pratibha Agarwal	-	-	-	0.00	0.04	0.25
Mohan Agarwal (HUF)	-	-	-	-	0.02	0.02
Gauri Shankar Agarwala (HUF)	-	-	-	-	0.06	0.09
<b>Expenses Reimbursement</b>						
Shri Mohan Agarwal		-	-	-	-	0.01
<b>Rent Paid</b>						
Shri Mohan Agarwal	-	-	-	-	0.18	0.18
Smt. Kalawati Agarwal	0.72	0.96	0.96	0.96	0.96	0.96
Smt. Pratibha Agarwal	0.99	1.32	1.32	1.32	1.32	1.32
<b>Purchase of property, plant and equipment</b>						
Shri Mohan Agarwal	-	-	-	5.60	-	-
<b>Capital advance paid against purchase of property, plant &amp; equipment</b>						
Shri Mohan Agarwal	0.05	5.00	-	16.79	-	-
<b>Services</b>						
<b>Legal and professional fees paid</b>						
Smt. Apoorva Pareek	-	-	0.63	0.84	0.84	0.84

Particulars	(Rs in millions)					
	Associate					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Interest Paid</b>						
Suvridhi Financial Services Limited-Associate	-	2.31	2.33	2.25	-	-
<b>Rent Received</b>						
Suvridhi Financial Services Limited-Associate	0.02	0.02	0.02	0.02	0.02	0.02
<b>Loan Transactions During the year</b>						
<b>Suvridhi Financial Services Limited-Associate</b>						
Loan acquired on account of acquisition		-	-	19.08	-	-
Loan Received	0.01	-	1.60	0.35	-	-
Loan Paid	1.10	2.67	1.53	1.10	-	-

Particulars	(Rs in millions)					
	Enterprises over which Directors and their relatives have significant influence					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Interest Paid</b>						
Grand Metal Industries Private Limited	-	0.00	2.07	1.60	-	-
Grand Metal Recycling Private Limited	-	0.00	0.06	0.05	-	-
<b>Rent Received</b>						
Grand Metal Industries Private Limited	0.03	0.04	0.04	0.04	0.04	0.02
Grand Metal Recycling Private Limited	-	0.00	0.00	0.01	0.01	0.01
<b>Loan Transactions During the year</b>						
<b>Grand Metal Industries Private Limited</b>						
Loan acquired on account of acquisition	-	-	-	25.90	-	-
Loan Paid	-	0.05	24.94	4.91	-	-
	-	-	-	-	-	-
<b>Grand Metal Recycling Private Limited</b>						
Loan Received	-	-	-	0.24	-	-
Loan Paid	-	0.06	0.67	0.04	-	-

Particulars	(Rs in millions)					
	Joint Venture Partners of Subsidiaries					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Share Application Money Received</b>						
Nikkei MC Aluminium Co. Limited	-	-	78.00	-	-	-
<b>Equity Shares Allotted</b>						
Nikkei MC Aluminium Co. Limited	-	78.00	-	-	16.00	64.00
<b>Loan transactions during the year</b>						
<b>Nikkei MC Aluminium Co. Limited</b>						
Loan given	-	-	-	-	3.77	-
Loan Repayment Received	-	-	-	3.77	-	-
<b>Sale of Goods</b>						
Nikkei MC Aluminium Co. Limited	-	-	-	0.02	-	-
<b>Purchase of Goods</b>						
Nikkei MC Aluminium Co. Limited	-	-	0.03	0.03	0.21	-
Toyota Tshusho Corporation	-	-	-	-	0.00	-
<b>Services</b>						
<b>Technical Fee</b>						
Toyota Tshusho Corporation	-	-	1.47	0.97	-	-
<b>Corporate Guarantee Commission</b>						
Nikkei MC Aluminium Co. Limited *	0.42	0.61	1.29	1.63	-	-
Toyota Tshusho Corporation	4.42	4.18	5.65	1.00	5.55	-

\* Transaction amount is exclusive of service tax

(Rs in millions)

Particulars	Subsidiaries of Joint Venture Partners					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b><u>Reimbursement of Expenses</u></b> Toyotsu Smelting Technology Corporation	-	-	-	0.54	0.21	-
<b><u>Sale of Goods</u></b> Toyota Tshusho India Private Limited *	-	-	1,413.98	-	-	-
* Sales of goods include Excise Duty and VAT						
<b><u>Purchase of Raw Materials</u></b> Toyota Tshusho India Private Limited*	-	1,388.76	1,543.77	372.45	-	-
* Purchase includes Excise Duty and Sales Tax						
<b><u>Expenses Paid on behalf of the subsidiary of Joint Venture Partner</u></b> Toyota Tshusho India Private Limited	0.13	0.53	-	0.01	-	-
<b><u>Commission*</u></b> Toyota Tshusho India Private Limited	3.10	0.98	1.72	0.20	-	-
*included in Raw Material Consumption						
<b><u>Rent paid</u></b> Toyota Tshusho India Private Limited	-	-	-	0.01	-	-
<b><u>Service</u></b> <b><u>Technical Fee</u></b> Toyotsu Smelting Technology Corporation	-	-	-	7.57	5.56	-

## (iii) Balances as at the year end

(Rs in millions)

Particulars	Key management personnel & their relatives					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Salary Payable</b>						
Shri Gauri Shankar Agarwala	0.14	0.10	0.09	0.15	0.15	0.15
Shri Mohan Agarwal	0.78	0.76	1.14	0.35	0.57	0.60
Shri Akshay Agarwal	0.13	0.07	0.07	0.08	-	-
Shri Raghav Agarwal	0.10	0.07	-	-	-	-
Shri Mayank Pareek	-	-	-	0.26	0.24	0.24
Shri Pradeep Singh	0.04	-	-	-	-	-
Shri Sandeep Shaw	0.25	-	-	-	-	-
<b>Short Term Borrowings</b>						
Mohan Agarwal (HUF)	-	-	-	-	-	0.30
Smt. Pratibha Agarwal	-	-	0.00	0.00	-	1.91
Gauri Shankar Agarwala (HUF)	-	-	-	-	-	1.29
Smt. Kalawati Agarwal	-	-	0.09	0.66	-	6.58
Shri Gauri Shankar Agarwala	-	-	-	-	-	2.57
Shri Mohan Agarwal	-	-	-	-	-	5.26
<b>Loans to Employees</b>						
Shri Mohan Agarwal	0.48	0.84	0.95	1.24	-	-
Shri Akshay Agarwal	-	0.20	-	-	-	-
Shri Gauri Shankar Agarwala	0.07	-	-	-	-	-
<b>Capital Advance</b>						
Shri Mohan Agarwal	21.84	21.79	16.79	16.79	-	-

(Rs in millions)

Particulars	Associate					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Short term Borrowings</b>						
Suvridhi Financial Services Limited-Associate	19.33	20.42	20.75	18.35	-	-
<b>Advance to Suppliers</b>						
Suvridhi Financial Services Limited	0.09	0.06	0.02	0.02	-	-

(Rs in millions)

Particulars	Enterprises over which Directors and their relatives have significant influence					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Short term Borrowings</b>						
Grand Metal Industries Private Limited	-	-	0.05	22.93	-	-
Grand Metal Recycling Private Limited	-	-	0.06	0.73	-	-
<b>Advance To Supplier</b>						
Grand Metal Industries Private Limited	0.94	0.90	0.04	0.02	-	-
Grand Metal Recycling Private Limited	0.02	0.02	-	-	-	-

(Rs in millions)

Particulars	Joint Venture Partners of Subsidiaries					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Commission Receivable</b>						
Nikkei MC Aluminium Co. Limited	-	-	0.70	1.95	-	-
Toyota Tshusho Corporation	4.42	4.89	1.33	1.77	-	-
<b>Trade payables</b>						
Nikkei MC Aluminium Co. Limited	0.25	0.25	0.25	-	-	-
Toyota Tshusho Corporation	-	-	-	0.61	-	-
<b>Trade Receivable</b>						
Nikkei MC Aluminium Co. Limited	-	-	-	0.66	3.56	-

(Rs in millions)

Particulars	Subsidiaries of Joint Venture Partners					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b><u>Trade Payable</u></b>						
Toyota Tshusho India Private Limited	388.09	411.89	412.43	250.17	-	-
Toyotsu Smelting Technology Corporation	-	-	-	0.54	-	-
<b><u>Other Current Liabilities</u></b>						
<b><u>Advance from Customer</u></b>						
Toyota Tsusho India Private Limited	31.79	-	-	-	-	-

**Notes:**

(i) Property situated at Millennium Plaza Ltd. 001B and 001C, Tower "A" Ground Floor, Sector 27, owned by Shri Gauri Shankar Agarwala and Shri Mohan Agarwal, promoter directors has been mortgaged for term loans and cash credit limits including bill discounting facilities and vendor financing facilities utilized by the Group.

(ii) Property situated at Nav Shakti Co-operative Group Housing Society B-43, Plot No.5, Sector - 9, Rohini, New Delhi owned by Shri Mohan Agarwal, promoter director has been mortgaged for term loans and cash credit limits including bill discounting and vendor financing facilities utilized by the Group.

(iii) Shri Mohan Agarwal and Shri Gauri Shankar Agarwala, promoter directors have given personal guarantee for the term loans and cash credit limits including bill discounting facilities and vendor financing utilized by the Group and one of the subsidiary.

(iv) Nikkei MC Aluminium Co. Limited has given corporate guarantee for term loan and working capital loans borrowed by CMR Nikkei India Private Limited, a subsidiary.

(v) The remuneration to the key managerial personnel and relatives as disclosed above does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

(vi) Sale, purchase and job work charges transactions disclosed above are inclusive of excise duty.

(vii) Corporate guarantee was given by Suvridhi Financial Services Limited and Grand Metal Recycling Private Limited for the term loan taken by the Parent Group in the financial year 2014-15.

**Terms and conditions of transactions with related parties**

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free. For the period ended December 31, 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Century Metal Recycling Limited ( Formerly known as Century Metal Recycling Private Limited)**  
**ANNEXURE XLI**  
**Notes to Restated Ind AS Consolidated Summary Statements**

**1 Statement of Employee Benefits**

Employee Benefits have been classified as under:

**A. Defined Contribution Plans - General Description**

**Provident Fund**

The group makes contribution towards employees' provident fund . Under the schemes, the group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes to these defined contribution schemes.

The group has contributed the following amounts to:

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Employer's Contribution to Provident Fund (Including Employee's Pension Scheme 1995)	9.88	11.35	10.90	10.14	7.42	6.50

**B. Defined Benefit Plans**

**Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
<b>Change in benefit obligation</b>						
Opening defined benefit obligation	21.24	15.57	13.37	10.83	9.38	8.64
Acquisition adjustment	-	0.10	0.11	(0.05)	0.43	-
Interest cost	1.20	1.25	1.04	0.92	0.75	0.69
Current service cost	3.50	4.08	3.11	2.91	2.44	2.01
Benefits paid	(0.47)	(0.96)	(1.18)	(1.09)	(0.43)	(0.25)
Actuarial (gain)/loss on obligation	(0.75)	1.20	(0.88)	(0.15)	(1.74)	(1.71)
<b>Present value of obligation at the end of the year</b>	<b>24.72</b>	<b>21.24</b>	<b>15.57</b>	<b>13.37</b>	<b>10.83</b>	<b>9.38</b>
<b>Plan assets at the end of the year</b>						
<b>Liability/ (Asset) recognized in the financial statements</b>	<b>24.72</b>	<b>21.24</b>	<b>15.57</b>	<b>13.37</b>	<b>10.83</b>	<b>9.38</b>

Amount recognised in Statement of Profit and Loss:

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Current service cost	3.50	4.08	3.11	2.91	2.44	2.01
Interest cost on benefit obligation	1.20	1.25	1.04	0.92	0.75	0.69
<b>Amount recognised in Statement of Profit and Loss</b>	<b>4.70</b>	<b>5.33</b>	<b>4.15</b>	<b>3.83</b>	<b>3.19</b>	<b>2.70</b>

Amount recognised in Other Comprehensive Income:

(Rs in millions)						
	As at 31 December 2017	As at 31 March 2017	As at 31 March 2016 (Proforma)	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Actuarial changes arising from changes in demographic assumptions	-	0.00	-	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.74)	2.44	(0.64)	0.68	-	0.03
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Experience adjustments	(0.01)	(1.24)	(0.24)	(0.84)	(1.74)	(1.74)
<b>Amount of loss recognised in Other Comprehensive Income</b>	<b>(0.75)</b>	<b>1.20</b>	<b>(0.88)</b>	<b>(0.16)</b>	<b>(1.74)</b>	<b>(1.71)</b>

The principal assumptions used in determining gratuity liability for the group's plans are shown below:

(in %)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Discount rate (%)	7.64 - 7.76	7.35 - 7.54	8.00	7.75 - 8.00	8.50	8.00 - 8.50
Expected rate of return on Plan assets (%)						
Future salary increases (%)	5.50 - 9.00	5.50 - 9.00	5.50 - 8.50	5.25 - 8.50	8.50	8.00 - 8.50
Retirement Age (Years)	58 - 60	58 - 60	58 - 60	58 - 60	60.00	60.00
<b>Withdrawal rate</b>						
Up to 30 years	3%	3%	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%	1%
<b>Mortality Table as per</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08)</b>	<b>IALM (2006-08), in one of the subsidiary LIC (1994-96)</b>	<b>IALM (2006-08), in one of the subsidiary LIC (1994-96)</b>

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

**Gratuity Plan**

		(Rs in millions)			
Assumptions		Discount rate		Future salary increase	
Discount rate		0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	As at 31 December 2017	(1.57)	1.73	1.63	(1.50)
Impact on defined benefit obligation	As at 31 March 2017	(1.46)	1.62	1.59	(1.45)
Impact on defined benefit obligation	As at 31 March 2016 (Proforma)	(1.01)	1.10	1.09	(1.01)
Impact on defined benefit obligation	As at 31 March 2015 (Proforma)	(0.83)	0.92	0.91	(0.83)
Impact on defined benefit obligation	As at 31 March 2014 (Proforma)	(0.78)	0.73	0.73	(0.78)
Impact on defined benefit obligation	As at 31 March 2013 (Proforma)	(0.69)	0.65	0.61	(0.66)

The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The maturity profile of defined benefit obligation are as follows:

						(Rs in millions)
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Within the next 12 months (next annual reporting period)	1.37	1.14	0.82	0.24	0.20	0.67
Between 1 and 2 years	0.49	0.43	0.33	0.47	0.55	0.37
Between 2 and 3 years	0.43	0.38	0.42	0.15	0.18	0.18
Between 3 and 4 years	0.47	0.41	0.30	0.07	0.19	0.16
Between 4 and 5 years	0.79	0.62	0.97	0.53	0.19	0.15
Between 5 and 6 years	2.14	1.60	1.39	0.93	0.27	0.14
Beyond 6 years	19.03	16.66	11.34	10.98	9.25	7.71
<b>Total expected payments</b>	<b>24.72</b>	<b>21.24</b>	<b>15.57</b>	<b>13.37</b>	<b>10.83</b>	<b>9.38</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.58 - 20.93 years

**Century Metal Recycling Limited ( Formerly known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Consolidated Summary Statements**

**2. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying value						Fair value					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>(Rs in millions)</b>												
<b>Financial assets</b>												
<b><u>A. FVPL financial instruments:</u></b>												
Investment in Equity instruments - others	16.04	15.58	14.65	15.02	0.03	0.03	16.04	15.58	14.65	15.02	0.03	0.03
Investments in mutual funds	-	-	-	-	-	193.82	-	-	-	-	-	193.82
	<b>16.04</b>	<b>15.58</b>	<b>14.65</b>	<b>15.02</b>	<b>0.03</b>	<b>193.85</b>	<b>16.04</b>	<b>15.58</b>	<b>14.65</b>	<b>15.02</b>	<b>0.03</b>	<b>193.85</b>
<b><u>B. Amortised Cost:</u></b>												
Loan to employees	0.09	0.72	0.76	-	-	-	0.09	0.72	0.76	-	-	-
Security deposits	14.86	14.83	16.68	14.14	14.81	8.08	14.86	14.83	16.68	14.14	14.81	8.08
Interest accrued on fixed deposits	1.03	-	-	0.21	-	-	1.03	-	-	0.21	-	-
	<b>15.97</b>	<b>15.55</b>	<b>17.44</b>	<b>14.35</b>	<b>14.81</b>	<b>8.08</b>	<b>15.97</b>	<b>15.55</b>	<b>17.44</b>	<b>14.35</b>	<b>14.81</b>	<b>8.08</b>
<b>Total</b>	<b>32.02</b>	<b>31.13</b>	<b>32.09</b>	<b>29.37</b>	<b>14.84</b>	<b>201.93</b>	<b>32.01</b>	<b>31.13</b>	<b>32.09</b>	<b>29.37</b>	<b>14.84</b>	<b>201.93</b>
<b>Financial liabilities</b>												
<b><u>A. FVTPL</u></b>												
Derivative liabilities	8.65	24.76	30.70	1.35	9.75	-	8.65	24.76	30.70	1.35	9.75	-
	<b>8.65</b>	<b>24.76</b>	<b>30.70</b>	<b>1.35</b>	<b>9.75</b>	<b>-</b>	<b>8.65</b>	<b>24.76</b>	<b>30.70</b>	<b>1.35</b>	<b>9.75</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>												
Non Current Borrowings	315.92	419.62	511.83	592.74	599.28	175.56	315.92	419.62	511.83	592.74	599.28	175.56
Security deposits	1.42	1.07	1.22	2.14	1.82	2.12	1.42	1.07	1.22	2.14	1.82	2.12
	<b>317.34</b>	<b>420.69</b>	<b>513.05</b>	<b>594.88</b>	<b>601.10</b>	<b>177.68</b>	<b>317.34</b>	<b>420.69</b>	<b>513.05</b>	<b>594.88</b>	<b>601.10</b>	<b>177.68</b>
<b>Total</b>	<b>325.99</b>	<b>445.45</b>	<b>543.75</b>	<b>596.23</b>	<b>610.85</b>	<b>177.68</b>	<b>325.99</b>	<b>445.45</b>	<b>543.75</b>	<b>596.23</b>	<b>610.85</b>	<b>177.68</b>

The management assessed that trade receivables, Non Current fixed deposits, capital creditors, trade payables , and other current financial assets and liabilities (except derivative liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

**Investment in Equity instruments - others :-**

The fair value of investment in equity instruments of Rico Investment Limited has been estimated using Cost Approach - Net Asset Value Method. In the Net Asset Value (NAV) method, the NAV is computed based on the latest available audited/unaudited Balance Sheet of the firm. The starting point of this method is the valuation of the total assets that the firm owns. The loan funds and other liabilities are deducted, Contingent liabilities, to the extent that in the opinion of management can be fairly expected to impair the net asset value of the business, are also deducted. The resultant figure represents the net worth of the business on the given day through Value of Equity share has been determined.

The fair value of investment in equity instruments other than above approximates the carrying value and hence, the valuation technique and inputs have not been given.

**Mutual Funds -**

The fair value of Current investments in mutual funds is determined using the respective NAV of mutual funds as at the balance sheet date

**Derivative financial instruments -**

The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date.

The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

**Interest Free Borrowings:-**

The fair values of the Group's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

**Loan to employees, Security deposit , Non current Fixed deposits, Borrowings other than Interest Free Borrowings and Interest accrued on fixed deposits:-**

The fair value of loan to employees, security deposit and interest accrued on fixed deposits approximates the carrying value and hence, the valuation technique and inputs have not been given.



**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**  
**ANNEXURE XLI**  
**Notes to Restated Ind AS Consolidated Summary Statements**

**3. Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2017:**

Quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2017.

		(Rs in millions)		
Date of valuation	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value</b>				
<b><u>A. FVTPL financial instruments:</u></b>				
Investment in equity shares (unquoted)	December 31, 2017	16.04	-	0.14
		<b>16.04</b>	<b>-</b>	<b>0.14</b>
<b><u>B. Amortised Cost:</u></b>				
Loan to employees	December 31, 2017	0.09	-	-
Security deposits	December 31, 2017	14.86	-	-
Interest accrued on fixed deposits	December 31, 2017	1.03	-	-
		<b>15.97</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
<b><u>A. FVTPL</u></b>				
Derivative liabilities	December 31, 2017	8.65	-	-
		<b>8.65</b>	<b>-</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>				
Borrowings	December 31, 2017	315.92	-	-
Security deposits	December 31, 2017	1.42	-	-
		<b>317.34</b>	<b>-</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended December 31, 2017.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:**

(Rs in millions)					
Date of valuation	Fair value measurement using				
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value</b>					
<b><u>A. FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted)	March 31, 2017	15.58	-	15.45	0.13
		<b>15.58</b>	<b>-</b>	<b>15.45</b>	<b>0.13</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2017	0.72	-	0.72	-
Security deposits	March 31, 2017	14.83	-	14.83	-
Interest accrued on fixed deposits	March 31, 2017	-	-	-	-
		<b>15.55</b>	<b>-</b>	<b>15.55</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2017	24.76	-	24.76	-
		<b>24.76</b>	<b>-</b>	<b>24.76</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2017	419.62	-	419.62	-
Security deposits	March 31, 2017	1.07	-	1.07	-
		<b>420.69</b>	<b>-</b>	<b>420.69</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016 (Proforma):

		(Rs in millions)			
Date of valuation		Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value</b>					
<b><u>A. FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted/quoted)	March 31, 2016	14.65	0.01	14.52	0.13
		<b>14.65</b>	<b>0.01</b>	<b>14.52</b>	<b>0.13</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2016	0.76	-	0.76	-
Security deposits	March 31, 2016	16.68	-	16.68	-
Interest accrued on fixed deposits	March 31, 2016			-	
		<b>17.44</b>	<b>-</b>	<b>17.44</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2016	30.70	-	30.70	-
		<b>30.70</b>	<b>-</b>	<b>30.70</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2016	511.83	-	511.83	-
Security deposits	March 31, 2016	1.22	-	1.22	-
		<b>513.05</b>	<b>-</b>	<b>513.05</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during at March 31, 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2015 (Proforma):

quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2015 (€10 millions).

		(Rs in millions)			
Date of valuation		Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value</b>					
<b><u>A. FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted/quoted)	March 31, 2015	15.02	0.01	14.88	0.13
		<b>15.02</b>	<b>0.01</b>	<b>14.88</b>	<b>0.13</b>
<b><u>B. Amortised Cost:</u></b>					
Security deposits	March 31, 2015	14.14	-	14.14	-
Interest accrued on fixed deposits	March 31, 2015	0.21	-	0.21	-
		<b>14.35</b>	<b>-</b>	<b>14.35</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2015	1.35	-	1.35	-
		<b>1.35</b>	<b>-</b>	<b>1.35</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2015	592.74	-	592.74	-
Security deposits	March 31, 2015	2.14	-	2.14	-
		<b>594.88</b>	<b>-</b>	<b>594.88</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2015.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2014 (Proforma):

		(Rs in millions)			
Date of valuation	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value</b>					
<b><u>A. FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted/quoted)	March 31, 2014	0.03	0.01	-	0.03
		<b>0.03</b>	<b>0.01</b>	<b>-</b>	<b>0.03</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2014	-	-	-	-
Security deposits	March 31, 2014	14.81	-	14.81	-
Interest accrued on fixed deposits	March 31, 2014	-	-	-	-
		<b>14.81</b>	<b>-</b>	<b>14.81</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2014	9.75	-	9.75	-
		<b>9.75</b>	<b>-</b>	<b>9.75</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2014	599.28	-	599.28	-
Security deposits	March 31, 2014	1.82	-	1.82	-
		<b>601.10</b>	<b>-</b>	<b>601.10</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2014.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2013 (Proforma):

Quantitative disclosures fair value measurement hierarchy for Assets as at March 31, 2013 (Rs in millions).

		(Rs in millions)			
Date of valuation	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value</b>					
<b><u>A. FVTPL financial instruments:</u></b>					
Investment in equity shares (unquoted/quoted)	March 31, 2013	0.03	0.01	-	0.03
Investments in mutual funds	March 31, 2013	193.82	193.82	-	-
		<b>193.85</b>	<b>193.83</b>	<b>-</b>	<b>0.03</b>
<b><u>B. Amortised Cost:</u></b>					
Loan to employees	March 31, 2013	-	-	-	-
Security deposits	March 31, 2013	8.08	-	8.08	-
Interest accrued on fixed deposits	March 31, 2013	-	-	-	-
		<b>8.08</b>	<b>-</b>	<b>8.08</b>	<b>-</b>
<b>Financial liabilities</b>					
<b><u>A. FVTPL</u></b>					
Derivative liabilities	March 31, 2013	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>B. Amortised Cost:</u></b>					
Borrowings	March 31, 2013	175.56	-	175.56	-
Security deposits	March 31, 2013	2.12	-	2.12	-
		<b>177.68</b>	<b>-</b>	<b>177.68</b>	<b>-</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2013.

The fair value of investment in other equity instruments appearing under Level III approximates the carrying value and hence, the valuation technique and inputs with Sensitivity analysis have not been given.

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
**ANNEXURE XLI**  
**Notes to Restated Ind AS Consolidated Summary Statements**

**4. Financial risk management objectives and policies**

The Group's principal financial liabilities comprise of Borrowings, trade payables, derivative liability, financial guarantee, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analysis in the following sections relate to the position as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

		(Rs in millions)
	Increase/decrease in basis points	Effect on profit before tax
<b>December 31, 2017</b>		
USD Borrowings	+0.5	(3.61)
USD Borrowings	-0.5	3.61
<b>March 31, 2017</b>		
USD Borrowings	+0.5	(5.28)
USD Borrowings	-0.5	5.28
<b>March 31, 2016</b>		
USD Borrowings	+0.5	(23.92)
USD Borrowings	-0.5	23.92
<b>March 31, 2015</b>		
USD Borrowings	+0.5	(4.22)
USD Borrowings	-0.5	4.22
<b>March 31, 2014</b>		
USD Borrowings	+0.5	(5.77)
USD Borrowings	-0.5	5.77
<b>March 31, 2013</b>		
USD Borrowings	+0.5	(0.43)
USD Borrowings	-0.5	0.43

The assumed movement in

**Fair value sensitivity analysis for fixed rate instruments :-**

The Group has not disclosed interest rate risks on any fixed rate financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss nor affect equity.

#### **(b) Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD and Euro. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Group's functional currency. The Group imports raw materials which exposes it to foreign currency risk. The Group holds derivative foreign currency forward contracts to mitigate the risk of change in exchange rate on foreign currency exposure. The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Below is the Group's exposure to foreign currency risk changes

	Change in rate USD	(Rs in millions) Effect on profit before tax		Change in rate EURO	(Rs in millions) Effect on profit before tax
		Rs.			Rs.
<b>31-Dec-17</b>			<b>31-Dec-17</b>		
USD	+5%	(37.92)	Euro	+5%	(0.30)
USD	-5%	37.92	Euro	-5%	0.30
<b>31-Mar-17</b>			<b>31-Mar-17</b>		
USD	+5%	(10.31)	Euro	+5%	(0.33)
USD	-5%	10.31	Euro	-5%	0.33
<b>31-Mar-16</b>			<b>31-Mar-16</b>		
USD	+5%	(25.06)	Euro	+5%	(0.35)
USD	-5%	25.06	Euro	-5%	0.35
<b>31-Mar-15</b>			<b>31-Mar-15</b>		
USD	+5%	(38.27)	Euro	+5%	(0.32)
USD	-5%	38.27	Euro	-5%	0.32
<b>31-Mar-14</b>			<b>31-Mar-14</b>		
USD	+5%	(24.12)	Euro	+5%	-
USD	-5%	24.12	Euro	-5%	-
<b>31-Mar-13</b>			<b>31-Mar-13</b>		
USD	+5%	(33.20)	Euro	+5%	-
USD	-5%	33.20	Euro	-5%	-

#### **(c) Commodity price risk**

The operating activities of the Group require the ongoing purchase of aluminium and scrap. The purchase price of the aluminium scrap depends on the global metal market. However, Group is not exposed to commodity price risk as any change in the price of commodity is subsequently recovered by the Group from its customers, thus safeguarding itself from any fluctuation in the price of commodity.

#### **(d) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

#### **(i) Trade Receivable**

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

The ageing of trade receivables at the reporting date was:

Particulars	(Rs in millions)					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Due 0-180 days	-	-	-	-	(5.24)	(0.10)
Above 180 days	(29.95)	(29.95)	(29.95)	(29.95)	(8.07)	(6.54)

#### **Movement in provisions of doubtful debts**

Particulars	(Rs in millions)					
	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Opening provisions	29.95	29.95	29.95	13.31	6.65	-
Add: Additional provision made	-	-	-	16.65	6.66	6.65
Less: Provision written off	-	-	-	-	-	-
Less: Provision reversed	-	-	-	-	-	-
Closing provisions	29.95	29.95	29.95	29.95	13.31	6.65

#### **ii) Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**The Group's maximum exposure to credit risk for the components of the Balance Sheet as at December 31, 2017.**

(Rs in millions)	
Particulars	As at December 31, 2017
Investment in equity shares	18.80
Security Deposits (Current & Non Current)	33.72
Loan to employees (Current & Non Current)	4.80
Trade receivables	2,221.17

**Liquidity risk**

The Group monitors its risk of a shortage of funds doing a liquidity planning exercise.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short term borrowing facilities like bank overdraft, cash credit facility and buyers credit facility. The Group's treasury function reviews the liquidity position on an ongoing basis. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and surplus cash and cash equivalent on the basis of expected cash flow. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payment :

**As at December 31, 2017** (Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	410.59	1,729.20	315.92	-	2,455.71
Floating Rate Borrowings	-	625.90	-	-	625.90
Trade payables	-	1,150.42	-	-	1,150.42
Derivative liability	-	8.65	-	-	8.65
Interest accrued and due on borrowings	-	4.12	-	-	4.12
Interest accrued but not due on borrowings	-	6.81	-	-	6.81
Temporary book over draft	-	-	-	-	-
Payable for capital goods	-	12.50	-	-	12.50
Security Deposits	-	13.96	1.42	-	15.38
Employee related liabilities	-	24.13	-	-	24.13
	<b>410.59</b>	<b>3,575.69</b>	<b>317.34</b>	<b>-</b>	<b>4,303.62</b>

**As at March 31, 2017** (Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	229.79	1,352.53	419.62	-	2,001.94
Floating Rate Borrowings	-	590.36	-	-	590.36
Trade payables	-	783.96	-	-	783.96
Derivative liability	-	24.76	-	-	24.76
Interest accrued and due on borrowings	-	5.70	-	-	5.70
Interest accrued but not due on borrowings	-	1.69	-	-	1.69
Temporary book over draft	-	-	-	-	-
Payable for capital goods	-	16.61	-	-	16.61
Security Deposits	-	15.30	1.07	-	16.37
Employee related liabilities	-	21.85	-	-	21.85
	<b>229.79</b>	<b>2,812.76</b>	<b>420.69</b>	<b>-</b>	<b>3,463.24</b>

**As at March 31, 2016** (Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	353.15	1,285.05	511.82	-	2,150.02
Floating Rate Borrowings	-	841.11	-	-	841.11
Trade payables	-	1,058.62	-	-	1,058.62
Derivative liability	-	30.70	-	-	30.70
Interest accrued and due on borrowings	-	8.12	-	-	8.12
Interest accrued but not due on borrowings	-	1.39	-	-	1.39
Temporary book over draft	-	-	-	-	-
Payable for capital goods	-	21.47	-	-	21.47
Security Deposits	-	12.12	1.22	-	13.34
Employee related liabilities	-	22.15	-	-	22.15
	<b>353.15</b>	<b>3,280.73</b>	<b>513.04</b>	<b>-</b>	<b>4,146.92</b>

As at March 31, 2015

(Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	1,233.41	946.51	592.68	-	2,772.61
Floating Rate Borrowings	-	922.38	-	-	922.38
Trade payables	-	830.90	-	-	830.90
Derivative liability	-	1.35	-	-	1.35
Interest accrued and due on borrowings	-	9.61	-	-	9.61
Interest accrued but not due on borrowings	-	0.76	-	-	0.76
Other Interest Payable	-	0.27	-	-	0.27
Temporary book over draft	-	-	-	-	-
Payable for capital goods	-	31.57	-	-	31.57
Security Deposits	-	2.10	2.14	-	4.23
Employee related liabilities	-	19.65	-	-	19.65
	<b>1,233.41</b>	<b>2,765.10</b>	<b>594.82</b>	<b>-</b>	<b>4,593.33</b>

As at March 31, 2014

(Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	979.02	605.94	599.27	-	2,184.24
Floating Rate Borrowings	-	774.63	-	-	774.63
Trade payables	-	499.56	-	-	499.56
Derivative liability	-	9.75	-	-	9.75
Interest accrued and due on borrowings	-	4.05	-	-	4.05
Interest accrued but not due on borrowings	-	0.94	-	-	0.94
Temporary book over draft	-	0.70	-	-	0.70
Payable for capital goods	-	68.48	-	-	68.48
Security Deposits	-	2.37	1.82	-	4.19
Employee related liabilities	-	17.42	-	-	17.42
	<b>979.02</b>	<b>1,983.84</b>	<b>601.09</b>	<b>-</b>	<b>3,563.96</b>

As at March 31, 2013

(Rs in millions)

Particulars	On demand	Less than 12 months	1-5 years	>5 years	Total
Fixed Rate Borrowings	235.43	746.63	168.89	-	1,150.95
Floating Rate Borrowings	-	663.04	-	-	663.04
Trade payables	-	358.68	-	-	358.68
Derivative liability	-	-	-	-	-
Interest accrued and due on borrowings	-	-	-	-	-
Interest accrued but not due on borrowings	-	1.07	-	-	1.07
Temporary book over draft	-	3.81	-	-	3.81
Payable for capital goods	-	63.16	-	-	63.16
Security Deposits	-	-	2.12	-	2.12
Employee related liabilities	-	11.85	-	-	11.85
	<b>235.43</b>	<b>1,848.24</b>	<b>171.01</b>	<b>-</b>	<b>2,254.68</b>

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to development affecting a particular industry. The Group is not exposed to excessive concentration since the customers of the Group are not engaged in similar business activities. The Group derives its revenues and corresponding trade receivables from varied number of customers.

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**  
**ANNEXURE XLI**  
**Notes to Restated Ind AS Consolidated Summary Statements**

**5. Segment information**

As per Ind AS 108 identification of segment is based on the manner in which the Companies Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Chief Operating decision maker reviews business performance at an overall Group level as one segment "Aluminium ingots and molding"

**Primary Segments: Business Segment**

The Group manufactures and sells aluminium and zinc based alloys and does trading and job work of these products. The products have the same risks and returns which are predominantly governed by market condition i.e. demand and supply position and hence have been considered as representing a single business segment.

**Secondary Segments: Geographical Segment**

The analysis of geographical segment is based on geographical location of its customers. The following table shows the distribution of revenue by Geographical segment.

**a) Summary of total revenue by Geographical area is as follows:**

**Products and services**

Revenue	(Rs in millions)					
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Revenue From External Customers</b>						
Outside India	3.06	-	75.02	150.73	3.70	6.14
India	18,151.56	24,163.51	23,330.06	20,742.73	14,753.09	13,655.17
<b>Total</b>	<b>18,154.62</b>	<b>24,163.51</b>	<b>23,405.08</b>	<b>20,893.46</b>	<b>14,756.79</b>	<b>13,661.31</b>

**b) Summary of non- current assets by geographical location is as follows:**

	(Rs in millions)					
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
<b>Property plant and equipment</b>						
India	1,879.28	1,921.51	2,017.61	2,008.26	1,407.68	918.15
Outside India						
<b>Intangible</b>						
India	26.71	26.49	16.02	4.74	5.81	3.49
Outside India						
<b>Capital Work-in-progress</b>						
India	15.76	15.44	18.07	53.26	449.84	79.62
Outside India						
<b>Intangible under development</b>						
India	-	4.37	16.40	17.51	11.75	-
Outside India						
<b>Investment Property</b>						
India	-	-	-	-	-	-
Outside India						
<b>Non-Current Investments</b>						
India	18.80	18.23	17.26	17.55	2.45	2.35
Outside India						
<b>Other Non current assets</b>						
India	130.33	172.99	234.41	195.74	124.85	83.67
Outside India						
<b>Total</b>	<b>2,070.88</b>	<b>2,159.03</b>	<b>2,319.77</b>	<b>2,297.06</b>	<b>2,002.38</b>	<b>1,087.28</b>

**c) Revenue from major customer**

Revenue from major customers with percentage of total Revenue are as below:-

Name of The Customer	(Rs in millions)	
	Rockman Industries Limited	Sunbeam Auto Private Limited
	Revenue	Revenue
<b>Period ended December 31, 2017</b>		
Revenue	2,267.11	2,466.52
Revenue %	12.49%	13.59%
<b>Year ended March 31, 2017</b>		
Revenue	2,891.70	3,554.98
Revenue %	11.97%	14.71%
<b>Year ended March 31, 2016 (Proforma)</b>		
Revenue	2,755.02	3,881.15
Revenue %	11.77%	16.58%
<b>Year ended March 31, 2015 (Proforma)</b>		
Revenue	2,352.81	4,566.33
Revenue %	11.26%	21.86%
<b>Year ended March 31, 2014 (Proforma)</b>		
Revenue	2,443.53	4,612.44
Revenue %	16.56%	31.26%
<b>Year ended March 31, 2013 (Proforma)</b>		
Revenue	2,591.80	4,431.75
Revenue %	18.97%	32.44%



**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Consolidated Summary Statements**

**6. Capital management**

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Group's capital management, capital includes issued equity capital general reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Trade payables (Refer Annexure XXI)	1,150.42	783.96	1,058.61	830.90	499.56	358.68
Other financial liabilities (Refer Annexure XXII)	71.59	86.99	97.17	67.45	105.54	82.01
Borrowings	3,081.61	2,592.30	2,991.14	3,694.99	2,958.87	1,813.99
Less: Cash and cash equivalents (Refer Annexure XVII(a) )	34.05	162.09	237.34	54.68	7.20	2.71
<b>Net debts</b>	<b>4,269.57</b>	<b>3,301.16</b>	<b>3,909.58</b>	<b>4,538.66</b>	<b>3,556.77</b>	<b>2,251.97</b>
<b>Total equity</b>	<b>3,646.93</b>	<b>2,940.95</b>	<b>2,206.61</b>	<b>2,121.09</b>	<b>2,147.08</b>	<b>1,498.22</b>
<b>Capital and Net Debt</b>	<b>7,916.50</b>	<b>6,242.11</b>	<b>6,116.19</b>	<b>6,659.75</b>	<b>5,703.84</b>	<b>3,750.19</b>
<b>Gearing ratio (%)</b>	<b>53.93%</b>	<b>52.89%</b>	<b>63.92%</b>	<b>68.15%</b>	<b>62.36%</b>	<b>60.05%</b>

No changes were made in the objectives, policies or processes for managing capital.

**Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)**

**ANNEXURE XLI**

**Notes to Restated Ind AS Consolidated Summary Statements**

**7 Micro, Small & Medium Enterprises**

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year *	0.70	1.92	0.46	-	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-	-

\* Amount pertaining to capital creditors is as follow:-

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
The principal amount and the interest due thereon remaining unpaid to any capital supplier as at the end of each accounting year .	-	-	0.42	-	-	-

**8** The Haridwar unit of the Parent Group is exempt from excise duty for 10 years from date of commercial production i.e. 01.09.2008 vide notification number 50/2003 .C.E. dated 10.06.2003. Further, the unit is also exempt under Section 80IC of the Income Tax Act to the extent of 100% of taxable profit for first 5 years and 30% of taxable profit for balance period of 5 years.

**9** Revenues from Operations for the period beginning 1st July 2017 to 31st December 2017 are not comparable with previous periods/years, since sales are net of GST whereas Excise duties formed part of other expenses in previous periods/years.

**10** In light of Section 135 of the Companies Act 2013, the Parent Company has not incurred any expenses on Corporate Social Responsibility (CSR). The gross amount required to be spent by the Parent Company during the year on CSR activities is:

(Rs in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016 (Proforma)	31 March 2015 (Proforma)	31 March 2014 (Proforma)	31 March 2013 (Proforma)
Gross Amount to be spent on CSR Activities for the year	6.54	1.62	3.30	4.50	NA	NA

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)

ANNEXURE XLI

Notes to Restated Ind AS Consolidated Summary Statements

11 Disclosure required under section 186(4) of the Companies Act 2013

a) Particulars of Corporate Guarantees given as required by Section 186(4) of the Companies Act, 2013 - Nil

b) Details of investments made (at cost):

(Rs. In millions)

Particulars	Suvridhi Financial Services Limited	DSJ Communication Limited	Mardia Steel Limited	Usha India Limited	Rico Investment Limited	Grand Metal Industries Private Limited	Total
<b>As on 31st March 2012</b>	<b>1.90</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	-	-	1.92
Investments made during the year	0.50	-	-	-	-	-	0.50
Investments sold during the year	-	-	-	-	-	-	-
Add: Share in profit/ (loss) for the year	(0.09)	-	-	-	-	-	(0.09)
<b>As on 31st March 2013</b>	<b>2.31</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	-	-	<b>2.34</b>
Investments made during the year	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-
Add: Share in profit/ (loss) for the year	0.11	-	-	-	-	-	0.11
<b>As on 31st March 2014</b>	<b>2.42</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	-	-	<b>2.44</b>
Add: Share in profit for the year	0.11	-	-	-	-	-	0.11
Add: Fair Valuation through Profit & Loss Account	-	-	-	-	-0.12	-	-0.12
Investments made during the year	-	-	-	-	15.00	<b>0.11</b>	15.11
Investments sold during the year	-	-	-	-	-	-	-
<b>As on 31st March 2015</b>	<b>2.53</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>14.88</b>	<b>0.11</b>	<b>17.55</b>
Add: Share in profit for the year	0.08	-	-	-	-	-	0.08
Add: Fair Valuation through Profit & Loss Account	-	-	-	-	-0.37	-	-0.37
Investments made during the year	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-
<b>As on 31st March 2016</b>	<b>2.61</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>14.51</b>	<b>0.11</b>	<b>17.26</b>
Add: Share in profit for the year	0.04	-	-	-	-	-	0.04
Add: Fair Valuation through Profit & Loss Account	-	-	-	-	0.93	-	0.93
Investments made during the year	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-
<b>As on 31st March 2017</b>	<b>2.66</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>15.44</b>	<b>0.11</b>	<b>18.23</b>
Add: Share in profit for the year	0.10	-	-	-	-	-	0.10
Add: Fair Valuation through Profit & Loss Account	-	-	-	-	0.46	-	0.46
Investments made during the year	-	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-	-
<b>As on 31st December 2017</b>	<b>2.76</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>15.90</b>	<b>0.11</b>	<b>18.79</b>

Details of Investment made (No. of Shares)

I. Equity Shares

Particulars	Suvridhi Financial Services Limited	DSJ Communication Limited	Mardia Steel Limited	Usha India Limited	Rico Investment Limited	Grand Metal Industries Private Limited
<b>As on 31st March 2012</b>	<b>9,48,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	-	-
Investments made during the year	2,50,000	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st March 2013</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	-	-
Investments made during the year	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st March 2014</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	-	-
Investments made during the year	-	-	-	-	15,00,000	11,000
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st March 2015</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>15,00,000</b>	<b>11,000</b>
Investments made during the year	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st March 2016</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>15,00,000</b>	<b>11,000</b>
Investments made during the year	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st March 2017</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>15,00,000</b>	<b>11,000</b>
Investments made during the year	-	-	-	-	-	-
Investments sold during the year	-	-	-	-	-	-
<b>As on 31st December 2017</b>	<b>11,98,600</b>	<b>25,000</b>	<b>4,900</b>	<b>10,000</b>	<b>15,00,000</b>	<b>11,000</b>

c) Particulars of Loans given

(Rs in millions)

Name of the Party	Kapsons Associates Private Limited- Payable on Demand
<b>As on 31st March 2012</b>	-
Loan given during the year	-
Loan repaid during the year	-
<b>As on 31st March 2013</b>	-
Loan given during the year	-
Loan repaid during the year	-
<b>As on 31st March 2014</b>	-
Loan given during the year	-
Addition pursuant to acquisition of a subsidiary	9.79
Loan repaid during the year	-
<b>As on 31st March 2015</b>	<b>9.79</b>
Loan given during the year	-
Loan repaid during the year	9.79
<b>As on 31st March 2016</b>	-
Loan given during the year	-
Loan repaid during the year	-
<b>As on 31st March 2017</b>	-
Loan given during the year	-
Loan repaid during the year	-
<b>As on 31st December 2017</b>	-

Century Metal Recycling Limited ( Formally known as Century Metal Recycling Private Limited)  
**ANNEXURE XLI**  
**Notes to Restated Ind AS Consolidated Summary Statements**

**12. Group Information**

**Information about subsidiaries**

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Activity	Country of Incorporation	Percentage of Ownership (As at December 31, 2017)	Percentage of Ownership (As at March 31, 2017)	Percentage of Ownership (As at March 31, 2016)	Percentage of Ownership (As at March 31, 2015)	Percentage of Ownership (As at March 31, 2014)	Percentage of Ownership (As at March 31, 2013)
Sanjivani Non ferrous Trading Private Limited	Trading of Aluminium based Die Cast Alloys and Zinc Alloys.	India	51.00%	51.00%	52.15%	52.15%	-	-
CMR Nikkei India Private Limited	Producers of Aluminium based Die Cast Alloys	India	74.00%	74.00%	74%*	74.00%	74.00%	74.00%
CMR-Toyotsu Aluminium India Private Limited**	Producers of Aluminium based Die Cast Alloys	India	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
CMR America LLC		India	0.00%	0.00%	0.00%	100% ( Till 2nd July 2014)	100.00%	100.00%
CTA Trading Group	Trading of Aluminium Scrap	India	100.00%	100.00%	100.00%	-	-	-

\*Percentage of the ownership in the said company at the year-end was 80.40% which was reduced to 74.00% after allotting shares to the joint venture partner equivalent to 6.40% of the equity share capital of the said subsidiary in the year 2016-17.

\*\*Including its 100% subsidiary, CTA Trading Private Limited, incorporated during the year 2015 - 16

The details of the associate Group (Group over which the Group exercises significant influence, which has been consolidated on "Equity Method") are as follows:

Name		Country of Incorporation	Percentage of Ownership (As at December 31, 2017)	Percentage of Ownership (As at March 31, 2017)	Percentage of Ownership (As at March 31, 2016)	Percentage of Ownership (As at March 31, 2015)	Percentage of Ownership (As at March 31, 2014)	Percentage of Ownership (As at March 31, 2013)
Suvridhi Financial Services Limited	Financial Assistance to manufacturing sector Companies & investment in shares & debentures of other companies.	India	22.82%	22.82%	22.82%	22.82%	22.82%	22.82%

**Detail of Cross Holding of Subsidiary in the Parent Company.**

Name	Principal Activity	Country of Incorporation	Percentage of Ownership (As at December 31, 2017)	Percentage of Ownership (As at March 31, 2017)	Percentage of Ownership (As at March 31, 2016)	Percentage of Ownership (As at March 31, 2015)	Percentage of Ownership (As at March 31, 2014)	Percentage of Ownership (As at March 31, 2013)
Sanjivani Non ferrous Trading Private Limited	Trading of Aluminium based Die Cast Alloys and Zinc Alloys.	India	10.90%	10.90%	10.90%	10.90%	0%	0%

## 13 Investment in associates

The Group has a 22.82% interest in Suvridhi Financial services Limited (Company over which the Group exercises significant influence.

The summarised financial information of associate are provided below. This information is based on amounts before inter-company eliminations.

## Summarised statement of profit and loss :

(Rs. in millions)						
Particulars	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Income</b>						
Revenue from operations (Net)	1.85	2.38	2.33	2.27	2.19	2.02
Other income	-	59.43	10.03	0.00	-	0.06
<b>Total Revenue</b>	<b>1.85</b>	<b>61.81</b>	<b>12.36</b>	<b>2.27</b>	<b>2.19</b>	<b>2.08</b>
<b>Expenses:</b>						
Employee benefits expense	0.95	1.83	1.63	1.33	1.22	1.16
Finance costs	0.00	0.00	0.00	0.00	0.00	0.03
Depreciation and amortisation expense	-	-	-	-	-	0.17
Other expenses	21.54	0.24	0.19	79.88	0.30	1.86
<b>Total Expenses</b>	<b>22.49</b>	<b>2.07</b>	<b>1.82</b>	<b>81.21</b>	<b>1.52</b>	<b>3.22</b>
<b>Profit before tax</b>	<b>(20.64)</b>	<b>59.74</b>	<b>10.54</b>	<b>(78.94)</b>	<b>0.67</b>	<b>(1.14)</b>
<b>Tax expenses:</b>						
Current tax	0.16	0.10	0.19	0.24	0.23	0.18
Income tax adjustment related to earlier periods	-	0.02	-	0.00	-	-
Deferred tax	(18.81)	15.14	3.07	(25.26)	0.62	(0.21)
<b>Profit for the year from continuing operations</b>	<b>(1.99)</b>	<b>44.48</b>	<b>7.28</b>	<b>(53.92)</b>	<b>(0.18)</b>	<b>(1.11)</b>
<b>Other comprehensive loss for the period/year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>	<b>(1.99)</b>	<b>44.48</b>	<b>7.28</b>	<b>(53.92)</b>	<b>(0.18)</b>	<b>(1.11)</b>
Proportion of the Group's ownership	22.82%	22.82%	22.82%	22.82%	22.82%	22.82%
Proportionate Profit	(0.45)	10.15	1.66	(12.30)	(0.04)	(0.25)
Less: Elimination of Fair Valuation gain of CMR (net of tax)	0.55	(10.11)	(1.58)	12.42	0.14	-
<b>Group's share of profit for the year</b>	<b>0.10</b>	<b>0.04</b>	<b>0.08</b>	<b>0.11</b>	<b>0.10</b>	<b>(0.08)</b>

## Summarised balance sheets :

(Rs. in millions)						
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Current assets	22.28	21.53	21.34	20.59	20.17	19.58
Non - Current assets	370.33	391.61	332.18	322.16	401.82	401.82
Current Liabilities	78.16	96.68	81.57	78.16	103.54	102.83
Non - Current Liabilities	0.99	1.01	0.97	0.89	0.83	0.79
<b>Total equity</b>	<b>313.46</b>	<b>315.45</b>	<b>270.98</b>	<b>263.70</b>	<b>317.62</b>	<b>317.79</b>
<b>Proportion of the Group's ownership</b>	<b>22.82%</b>	<b>22.82%</b>	<b>22.82%</b>	<b>22.82%</b>	<b>22.82%</b>	<b>22.82%</b>
Proportionate Investment	71.53	71.99	61.84	60.18	72.48	72.52
Less : Capital reserve on acquisition of associate	17.77	17.77	17.77	17.77	17.77	17.77
Elimination of Fair Valuation gain of CMR (net of tax)	(51.00)	(51.56)	(41.46)	(39.88)	(52.29)	(52.43)
<b>Carrying amount of Investment</b>	<b>2.76</b>	<b>2.66</b>	<b>2.61</b>	<b>2.53</b>	<b>2.42</b>	<b>2.32</b>

There is no contingent liability and capital commitments in associate.

## ANNEXURE XLI

## Notes to Restated Ind AS Consolidated Summary Statements

## 14. Material Partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below

Proportion of equity interest held by non-controlling interests

Name	Country of Incorporation and operation	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Sanjivani Non ferrous Trading Private Limited (w.e.f. May 24, 2014)**	India	49.00%	49.00%	47.85%	47.85%	-	-
CMR Nikkei India Private Limited	India	26.00%	26.00%	26%*	26.00%	26.00%	26.00%
CMR-Toyotsu Aluminium India Private Limited	India	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%

\*Percentage of the ownership in the said company at the year-end was 80.40% which was reduced to 74.00% after allotting shares to the joint venture partner equivalent to 6.40% of the equity share capital of the said subsidiary in the year 2016-17.

## Information regarding non-controlling interest

(Rs. in millions)

Name	31 December 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
<b>Accumulated balances of material non-controlling interest</b>						
Sanjivani Non ferrous Trading Private Limited	231.28	193.84	126.78	124.39	-	-
CMR Nikkei India Private Limited	182.15	158.41	138.15	61.59	61.30	54.10
CMR-Toyotsu Aluminium India Private Limited	73.28	42.05	35.95	57.65	76.66	75.48
	486.71	394.29	300.88	243.64	137.96	129.58
<b>Total Comprehensive income allocated to material non-controlling interest</b>						
Sanjivani Non ferrous Trading Private Limited	37.44	39.95	2.05	(0.43)	-	-
CMR Nikkei India Private Limited	23.74	20.26	0.85	0.28	(3.41)	(0.30)
CMR-Toyotsu Aluminium India Private Limited	31.24	6.10	(21.71)	(19.00)	1.18	0.48
Sub Total (A)	92.42	66.31	(18.81)	(19.15)	(2.23)	0.18
<b>Addition/(reduction) of Security premium in Non Controlling interest including Security Premium</b>						
Sanjivani Non ferrous Trading Private Limited	-	1.21	-	0.96	-	-
CMR Nikkei India Private Limited	-	78.00	-	-	21.50	38.23
CMR-Toyotsu Aluminium India Private Limited	-	-	-	-	-	75.00
Sub Total (B)	-	79.21	-	0.96	21.50	113.23
<b>Addition/(reduction) of Security premium in Non Controlling interest</b>						
Sanjivani Non ferrous Trading Private Limited	-	22.79	0.34	65.41	-	-
CMR Nikkei India Private Limited	-	-	(2.29)	-	1.90	3.37
CMR-Toyotsu Aluminium India Private Limited	-	-	-	-	-	-
Sub Total (C)	-	22.79	(1.95)	65.41	1.90	3.37
<b>Share application money received/(adjustment) from minority shareholder</b>						
Sanjivani Non ferrous Trading Private Limited	-	-	-	-	-	-
CMR Nikkei India Private Limited	-	(78.00)	78.00	-	(12.80)	12.80
CMR-Toyotsu Aluminium India Private Limited	-	-	-	-	-	-
Sub Total (D)	-	(78.00)	78.00	-	(12.80)	12.80
<b>Adjustment on account of change in Percentage holding of Non Controlling interest</b>						
Sanjivani Non ferrous Trading Private Limited	-	3.11	-	-	-	-
CMR Nikkei India Private Limited	-	-	-	-	-	-
CMR-Toyotsu Aluminium India Private Limited	-	-	-	-	-	-
Sub Total (E)	-	3.11	-	-	-	-
<b>Share in accumulated profits till the date of acquisition</b>						
Sanjivani Non ferrous Trading Private Limited	-	-	-	58.45	-	-
Sub Total (F)	-	-	-	58.45	-	-
Adjustments during the year other than total Comprehensive Income (B+C+D+E+F) - Refer annexure IV	-	27.11	76.05	124.82	10.60	129.40

\*\*The Board of Directors of the Company in their meeting held on May 14, 2018 has proposed and approved the sales of investments of 225,766 equity shares in the share capital of Sanjivani Non Ferrous Trading Private Limited, a subsidiary company of the Company.

## 15 : Statement containing salient features, pursuant to Schedule III of the Companies Act 2013, of subsidiaries as per Separate financial statements of each entity :

Name of the entity in the group	As at December 31, 2017							
	Net Assets i.e. total assets minus		Share in profit and loss		Share in other comprehensive		Share in total comprehensive income	
	As % of Consolidated Net Assets	(Amount in Rs. millions)	As % of Consolidated Profit & Loss	(Amount in Rs. millions)	As % of Consolidated Other Comprehensive Income	(Amount in Rs. millions)	As % of Consolidated Total Comprehensive Income	(Amount in Rs. millions)
<b>Parent</b>								
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)	103.20%	3,261.49	84.50%	518.08	106.82%	0.50	84.52%	518.58
<b>Indian Subsidiaries</b>								
CMR-Toyotsu Aluminium India Private Limited	11.42%	360.92	16.91%	103.65	-2.54%	(0.01)	16.89%	103.64
CMR-Nikkei India Private Limited	22.16%	700.38	14.79%	90.68	1.12%	0.01	14.78%	90.68
Sanjivani Non-Ferrous Trading Private Limited	8.38%	264.75	-1.53%	(9.38)	0.68%	0.00	-1.53%	(9.37)
CTA Trading Company	0.00%	0.01	-0.16%	(0.96)	0.00%	-	-0.16%	(0.96)
<b>Minority Interests in subsidiaries</b>								
CMR-Toyotsu Aluminium India Private Limited	-2.32%	(73.28)	-5.10%	(31.24)	0.76%	0.00	-5.09%	(31.24)
CMR-Nikkei India Private Limited	-5.76%	(182.15)	-3.87%	(23.74)	-0.31%	(0.00)	-3.87%	(23.74)
Sanjivani Non-Ferrous Trading Private Limited	-7.32%	(231.28)	-6.10%	(37.41)	-6.38%	(0.03)	-6.10%	(37.44)
<b>Associates</b>								
Suvridhi Financial Services Limited	0.00%	-	0.02%	0.10	0.00%	-	0.02%	0.10
Inter co elimination/adjustments in consolidation	-29.76%	(940.60)	0.54%	3.31	0.00%	-	0.54%	3.31
<b>TOTAL</b>		<b>3,160.22</b>		<b>613.10</b>		<b>0.46</b>		<b>613.56</b>

- 16 The Commissioner of Central Excise, Delhi (“CE”) passed an order dated 27.10.2011 against the Parent Company alleging that, the Parent Company had availed CENVAT Credit, under the Cenvat Credit Rules, 2004, for an aggregate amount of Rs 158.58 million on purchase of aluminium scraps which were utilized in clandestine manner and without proper accounting. Additionally the Parent Company was directed to pay an amount of Rs 41.76 million on account of duty short paid on clearance of aluminium dross in the guise of ash and residue . The Parent Company filed appeal against the said order of CE before Customs, Excise and Service Tax Appellate Tribunal, Principal Bench, New Delhi (“CESTAT”) and the CESTAT after careful perusal of the facts and circumstances of the case and appreciation of the evidence available and attending circumstances passed an order dated 04.12.2015 in the favor of the Parent Company by setting aside all the allegations of the CE for the reason same being baseless and uncorroborated. CE filed a prosecution case in the Court of Chief Judicial Magistrate, Faridabad in the year 2016 u/s 9 and 9AA of the Central Excise Act, 1944. Section 9 and 9AA lays down the provision about criminal prosecution, imprisonment and penalty. The amount of penalty referred under Section 9 and 9AA of the Central Excise Act, 1944 cannot be ascertained since this purely depends upon the discretion of the judge, therefore the question of quantification of contingent liability doesnot arise at this juncture at all. Moreover in prosecution cases the focus of the courts are more on imprisonment not monetary recovery for which appeal is the right remedy. The Parent Company based on in-house assessment does not expect any liability on account of above .

For S.R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private

per Anil Gupta

Partner

Membership No. 87921

Gauri Shankar Agarwala

(Chairman)

Mohan Agarwal

(Managing Director)

Place: New Delhi

Date: June 04, 2018

Pradeep Singh  
(Company Secretary) 405Satish Kaushik  
(Chief Financial Officer)



**Independent Practitioner's Assurance report on the Compilation of proforma financial information included in draft red herring prospectus (DRHP) in connection with the proposed initial public offer of Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)**

**To,**  
**The Board of Directors of**  
**Century Metal Recycling Limited**  
(Formerly known as Century Metal Recycling Private Limited)  
13/6, SSR Corporate Park  
8<sup>th</sup> Floor, Sector 27B,  
Delhi-Mathura Road,  
Faridabad, Haryana, India

Dear Sirs,

1. We have completed our assurance engagement to report on the compilation of proforma financial information of Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) ("the Company") by the Management of the Company. The proforma financial information consists of the proforma balance sheet as at March 31, 2017 and December 31, 2017, the proforma statements of profit and loss for the year ended March 31, 2017 and for the nine months period ended December 31, 2017 and related notes to proforma financial information. The applicable criteria on the basis of which the Company has compiled the proforma financial information are specified in 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 ("SEBI Regulations"), as amended from time to time and described in note 2 of proforma financial information.
2. The proforma financial information has been compiled by the Management of Company to illustrate the impact of the divestment of Sanjivani Non Ferrous Trading Private Limited ("SNFT"), a subsidiary of the Company, as set out in Note 2 on the Company's financial position as at March 31, 2017 and as at December 31, 2017 as if the divestment of SNFT had taken place at March 31, 2017 and December 31, 2017 respectively and its financial performance for the year ended March 31, 2017 and nine months period ended December 31, 2017 as if the divestment of SNFT had taken place at April 1, 2016 and April 1, 2017 respectively.
3. As part of this process, information about the Company's financial position and financial performance has been extracted by the Management from the Company's restated consolidated summary statements as at and for the period ended December 31, 2017 and as at and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013, on which we have issued our examination report.

**Managements' responsibility for the proforma financial information.**

4. The Management is responsible for compiling the proforma financial information on the basis set out in Note 2 to the proforma financial information and the same have been approved by the Board of Directors of the Company. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the proforma financial information on the basis set out in Note 2 to the proforma financial information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of proforma financial information.

## **Practitioner's responsibilities**

5. Our responsibility is to express an opinion, as required by the SEBI Regulations, about whether the proforma financial information as at and for the year ended March 31, 2017 and as at and for the period ended December 31, 2017 of the Company have been compiled, in all material respects, by the Management on the basis set out in Note 2 to the proforma financial information.
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the proforma financial information on the basis set out in Note 2 to the proforma financial information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / restated consolidated financial summary statement used in compiling the proforma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the proforma financial information. For our assurance engagement, we have placed reliance on the following:
  - a. the restated consolidated Summary Financial Statements of the Company as at and for the year ended March 31, 2017 and as at and for the nine months period ended December 31, 2017;
  - b. the restated unconsolidated financial Statements of SNFT as at and for the year ended March 31, 2017 and as at and for the nine months period ended December 31, 2017. We did not audit the restated unconsolidated financial statements and other financial information related to SNFT whose restated unconsolidated Ind AS financial statements include total assets of Rs.1,482.74 millions, Rs.1,303.29 millions and Rs.944.95 millions as on April 01, 2016, March 31, 2017 and December 31, 2017 respectively and net assets of Rs. 193.67 millions, Rs.274.12 millions and Rs.264.75 millions as on April 01, 2016, March 31, 2017 and December 31, 2017 respectively and total revenue of Rs. 9,513.67 millions and Rs. 4,520.29 millions for the year ended March 31, 2017 and nine months period ended December 31, 2017 respectively. These restated financial statements and other financial information have been audited by other auditors whose restated financial statement, other financial information and auditor reports have been furnished to us by the management.
8. The purpose of proforma financial information included in offer document is solely to illustrate the impact of above mentioned divestment on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the above mentioned divestment at May 30, 2018 for SNFT would have been as presented.
9. A reasonable assurance engagement to report on whether the proforma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the proforma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
  - a. The related proforma adjustments give appropriate effect to those criteria; and
  - b. The proforma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the proforma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the proforma financial information.

10. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.
11. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

12. In our opinion the proforma financial information have been compiled, in all material respects, on the basis set out in the Note 2 to the proforma financial information.

### **Restrictions on use**

13. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial public offering of the Company and is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

### **For S.R. Batliboi & Co. LLP**

**ICAI Firm registration number:** 301003E/E300005

Chartered Accountants

**per Anil Gupta**

Partner

Membership No.: 87921

Place: New Delhi

Date: June 04, 2018

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Proforma Balance Sheet as at 31 December 2017

(Rs. in millions)

Particulars	CMR restated consolidated	SNFT Restated Account	Classification adjustments [note 3(a)]	Divestment adjustments [note 3 (c )]	Proforma financial information as at 31 December 2017
	(A)	(B)	( C)	(D)	(E =A - D)
<b>Assets</b>					
<b>(A) Non Current Assets</b>					
Property, plant and equipment	1,879.28	12.14	-	12.14	1,867.14
Capital work-in-progress	15.76	-	-	-	15.76
Intangible assets	26.71	0.18	-	0.18	26.53
Intangible assets under development	-	-	-	-	-
Investment in a Associate	2.76	-	-	-	2.76
Financial Assets					-
(i) Investments	16.04	286.07	-	16.01	0.03
(i) Loans	14.95	-	-	-	14.95
(iii) Other financial assets	20.61	0.30	-	0.30	20.31
Deferred tax assets (net)	35.38	-	-	-	35.38
Non-Current Tax Asset	26.44	-	-	-	26.44
Other non current assets	32.95	-	-	-	32.95
<b>(B) Current Assets</b>					
Inventories	2,381.04	62.37	-	62.37	2,318.67
Financial Assets					
(i) Trade receivables	2,221.17	336.12	-	5.63	2,215.54
(ii) Cash and cash equivalents	34.05	0.59	-	(47.10)	81.15
(iii) Bank balances other than (ii) above	82.73	0.04	-	0.04	82.69
(iv) Loans	23.57	2.62	-	2.62	20.95
(v) Other financial assets	128.67	0.00	-	0.00	128.67
Other current assets	1,366.59	244.52	-	(215.04)	1,581.63
Asset held for sale	1.16	-	-	-	1.16
<b>Total</b>	<b>8,309.86</b>	<b>944.95</b>	<b>-</b>	<b>(162.86)</b>	<b>8,472.71</b>
<b>Equity &amp; Liabilities</b>					
<b>(C) Equity</b>					
Share capital	69.86	4.43	-	(6.68)	76.54
Other Equity					
(i) Retained Earnings	2,130.99	190.52	-	(5.13)	2,136.12
(ii) Capital Reserve	105.14	-	-	105.14	-
(iii) General Reserve	-	-	-	(188.00)	188.00
(iv) Securities Premium	854.23	69.80	-	(111.20)	965.43
<b>Equity attributable to equity shareholders of the Parent</b>	<b>3,160.22</b>	<b>264.75</b>	<b>-</b>	<b>(205.87)</b>	<b>3,366.09</b>
Non Controlling Interests	486.71	-	-	231.28	255.43
<b>Total Equity</b>	<b>3,646.93</b>	<b>264.75</b>	<b>-</b>	<b>25.41</b>	<b>3,621.52</b>
<b>LIABILITIES</b>					
<b>(D) Non Current Liabilities</b>					
Financial Liabilities					
(i) Borrowings	315.92	7.92	-	7.92	308.00
(ii) Other financial liabilities	1.42	-	-	-	1.42
Long term provisions	23.35	0.13	-	0.13	23.22
Deferred tax liabilities (net)	77.57	78.73	-	0.32	77.25
Other liabilities	31.05	-	-	-	31.05
<b>(E) Current Liabilities</b>					
Financial Liabilities					
(i) Borrowings	2,615.54	19.33	-	19.33	2,596.21
(ii) Trade payables					
-Due to micro small and small enterprises	0.70	-	-	-	0.70
-Dues to others	1,149.72	75.46	-	(255.02)	1,404.74
(iii) Other financial liabilities	220.32	5.15	-	5.15	215.18
Current tax liabilities (net)	110.11	0.00	-	0.00	110.11
Short term provisions	32.83	0.13	-	0.13	32.70
Other liabilities	84.40	493.35	-	33.79	50.61
<b>Total</b>	<b>8,309.86</b>	<b>944.95</b>	<b>-</b>	<b>(162.86)</b>	<b>8,472.71</b>

Note:- The above statement should be read with notes to proforma financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

For and on behalf of the Board of Directors of  
Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Proforma Statement of Profit and Loss for the period ended 31 December 2017

(Rs. in millions)

	CMR restated consolidated	SNFT Restated Account	Classification adjustments [note 3(a)]	Intragroup elimination adjustments [note 3 (b )]	Divestment adjustments [note 3 (c )]	Total Adjustments	Proforma financial information for the period ended 31 December 2017
	(A)	(B)	( C)	(D)	(E)	(F = C + D + E)	(G =A-B+F)
<b>A REVENUE</b>							
Revenue from operations	18,154.62	4,518.27	959.99	3,017.94	-	3,977.93	17,614.29
Other income	43.15	2.02	-	0.82	-	0.82	41.95
<b>Total revenue (A)</b>	<b>18,197.77</b>	<b>4,520.29</b>	<b>959.99</b>	<b>3,018.76</b>	<b>-</b>	<b>3,978.76</b>	<b>17,656.24</b>
<b>B EXPENSES</b>							
Cost of raw materials consumed	15,072.76	522.59	28.45	14.32	-	42.77	14,592.95
Purchase of traded goods	27.45	3,801.67	923.04	2,874.05	-	3,797.09	22.87
(Increase)/decrease in inventories of finished goods and work in progress	(43.06)	64.51	25.34	-	-	25.34	(82.23)
Excise duty on sale of goods	564.73	74.80	-	75.43	-	75.43	565.36
Employee benefits expenses	429.69	2.59	-	-	-	-	427.10
Depreciation and amortisation expense	131.66	3.33	-	-	-	-	128.33
Finance costs	207.17	1.09	-	-	-	-	206.08
Other expenses	786.58	63.01	(16.84)	70.54	-	53.70	777.28
<b>Total expenses (B)</b>	<b>17,176.98</b>	<b>4,533.59</b>	<b>959.99</b>	<b>3,034.34</b>	<b>-</b>	<b>3,994.33</b>	<b>16,637.74</b>
<b>C Restated Profit before share of profit of associates, exceptional item and tax (A-B)</b>	<b>1,020.79</b>	<b>(13.30)</b>	<b>-</b>	<b>(15.58)</b>	<b>-</b>	<b>(15.58)</b>	<b>1,018.50</b>
<b>D Share of profit of associates (net of tax)</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>
<b>E Profit before exceptional item and tax (C+D)</b>	<b>1,020.89</b>	<b>(13.30)</b>	<b>-</b>	<b>(15.58)</b>	<b>-</b>	<b>(15.58)</b>	<b>1,018.60</b>
<b>F Exceptional item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.79</b>	<b>5.79</b>	<b>5.79</b>
<b>G Profit before tax (E+F)</b>	<b>1,020.89</b>	<b>(13.30)</b>	<b>-</b>	<b>(15.58)</b>	<b>5.79</b>	<b>(9.78)</b>	<b>1,024.40</b>
<b>H Tax expenses</b>							
Current tax	302.08	0.44	-	-	-	-	301.64
MAT Credit entitlement	(30.50)	-	-	-	-	-	(30.50)
Deferred tax charge	43.82	(4.36)	-	(4.81)	-	(4.81)	43.36
<b>Total tax expense</b>	<b>315.40</b>	<b>(3.92)</b>	<b>-</b>	<b>(4.81)</b>	<b>-</b>	<b>(4.81)</b>	<b>314.50</b>
<b>I Restated Profit for the period (G-H)</b>	<b>705.49</b>	<b>(9.38)</b>	<b>-</b>	<b>(10.77)</b>	<b>5.79</b>	<b>(4.97)</b>	<b>709.89</b>
<b>J Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>	<b>0.49</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.49</b>
Re-measurement gains on defined benefit plans	0.75	0.00	-	-	-	-	0.75
Income tax effect	(0.26)	(0.00)	-	-	-	-	(0.26)
<b>K Total Comprehensive Income for the period (I+J)</b>	<b>705.98</b>	<b>(9.38)</b>	<b>-</b>	<b>(10.77)</b>	<b>5.79</b>	<b>(4.97)</b>	<b>710.38</b>
<b>(Comprising Profit and Other Comprehensive Income for the period)</b>							
<b>Restated Profit for the period</b>							
Attributed to:							
Equity holders of the Parent	613.10	(9.38)	-	32.43	-	32.43	654.91
Non Controlling Interest	92.39	-	-	(37.41)	-	(37.41)	54.98
	<b>705.49</b>	<b>(9.38)</b>	<b>-</b>	<b>(4.98)</b>	<b>-</b>	<b>(4.97)</b>	<b>709.89</b>
<b>Other Comprehensive Income</b>							
Attributed to:							
Equity holders of the Parent	0.46	0.00	-	0.03	-	-	0.49
Non Controlling Interest	0.03	(0.00)	-	(0.03)	-	-	(0.00)
	<b>0.49</b>	<b>0.00</b>	<b>-</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>0.49</b>
<b>Total Comprehensive income for the period</b>							
Attributed to:							
Equity holders of the Parent	613.56	(9.38)	-	32.46	-	32.43	655.40
Non Controlling Interest	92.42	(0.00)	-	(37.44)	-	(37.41)	54.98
	<b>705.98</b>	<b>(9.38)</b>	<b>-</b>	<b>(4.98)</b>	<b>-</b>	<b>(4.98)</b>	<b>710.38</b>
<b>Proforma earning per share (EPS)</b>							
Weighted average number of equity shares for basic earnings per share	2,18,22,780						2,44,93,500
Weighted average number of equity shares for diluted earnings per share	2,33,53,624						2,60,24,344
Proforma basic earning per share	28.09						26.74
Proforma diluted earning per share	26.25						25.17

Note:- The above statement should be read with notes to proforma financial statements.

For S.R. Batliboi & Co. LLP

For and on behalf of the Board of Directors of

Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)  
Proforma Balance Sheet as at 31 March 2017

(Rs. in millions)

Particulars	CMR restated consolidated	SNFT Restated Account	Classification adjustments [note 3(a)]	Divestment adjustments [note 3 (c )]	Proforma financial information as at 31 March 2017
	(A)	(B)	( C )	(D)	(G = A - D)
<b>Assets</b>					
<b>(A) Non Current Assets</b>					
Property, plant and equipment	1,921.51	0.01	-	0.01	1,921.49
Capital work-in-progress	15.44	-	-	-	15.44
Intangible assets	26.49	0.32	-	0.32	26.17
Intangible assets under development	4.37	-	-	-	4.37
Investment in a Associate	2.65	-	-	-	2.65
Financial Assets	-	-	-	-	-
(i) Investments	15.58	301.18	-	15.55	0.03
(ii) Loans	15.55	-	-	-	15.55
(iii) Other financial assets	38.18	0.12	-	0.12	38.06
Deferred tax assets (net)	45.37	-	-	-	45.37
Non-Current Tax Asset	39.65	-	-	-	39.65
Other non current assets	34.24	-	-	-	34.24
<b>(B) Current Assets</b>					
Inventories	1,418.04	328.83	-	332.87	1,085.17
Financial Assets					
(i) Trade receivables	1,918.65	327.71	-	263.80	1,654.85
(ii) Cash and cash equivalents	162.10	15.19	-	(32.50)	194.60
(iii) Bank balances other than (ii) above	81.62	0.08	-	0.08	81.54
(iv) Loans	16.75	4.26	-	4.26	12.49
(v) Other financial assets	14.78	0.00	-	0.00	14.78
Other current assets	901.20	325.59	-	(448.45)	1,349.65
<b>Total</b>	<b>6,672.17</b>	<b>1,303.29</b>	<b>-</b>	<b>136.06</b>	<b>6,536.10</b>
<b>Equity &amp; Liabilities</b>					
<b>(C) Equity</b>					
Share capital	69.86	4.43	-	(6.68)	76.54
Other Equity					
(i) Retained Earnings	1,517.43	199.89	-	(5.79)	1,523.22
(ii) Capital Reserve	105.14	-	-	105.14	0.00
(iii) General Reserve	-	-	-	(151.29)	151.29
(iv) Securities Premium	854.23	69.80	-	(111.20)	965.43
<b>Equity attributable to equity shareholders of the Parent</b>	<b>2,546.66</b>	<b>274.12</b>	<b>-</b>	<b>(169.82)</b>	<b>2,716.49</b>
Non Controlling Interests	394.29	-	-	193.84	200.45
<b>Total Equity</b>	<b>2,940.95</b>	<b>274.12</b>	<b>-</b>	<b>24.02</b>	<b>2,916.93</b>
<b>LIABILITIES</b>					
<b>(D) Non Current Liabilities</b>					
Financial Liabilities					
(i) Borrowings	419.62	-	-	-	419.62
(ii) Other financial liabilities	1.07	-	-	-	1.07
Long term provisions	20.10	0.10	-	0.10	20.00
Deferred tax liabilities (net)	24.93	83.08	-	(0.14)	25.07
Other liabilities	36.78	-	-	-	36.78
<b>(E) Current Liabilities</b>					
Financial Liabilities					
(i) Borrowings	2,029.02	88.89	-	88.89	1,940.13
(ii) Trade payables					
-Due to micro small and small enterprises	1.92	-	-	-	1.92
-Dues to others	782.04	53.40	-	(13.72)	795.76
(iii) Other financial liabilities	229.57	0.24	-	0.24	229.33
Current tax liabilities (net)	37.04	0.18	-	0.18	36.86
Short term provisions	28.59	0.10	-	0.10	28.49
Other liabilities	120.54	803.18	-	36.39	84.14
<b>Total</b>	<b>6,672.17</b>	<b>1,303.29</b>	<b>-</b>	<b>136.06</b>	<b>6,536.10</b>

Note:- The above statement should be read with notes to proforma financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

per Anil Gupta  
Partner  
Membership No. 87921

Place: New Delhi

For and on behalf of the Board of Directors of

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

(Rs. in millions)

	CMR restated consolidated	SNFT Restated Account	Classification adjustments [note 3(a)]	Intragroup elimination adjustments [note 3 (b )]	Divestment adjustments [note 3 (c )]	Total Adjustments	Proforma financial information for the year ended 31 March 2017
	(A)	(B)	( C)	(D)	(E)	(F = C + D + E)	(G =A-B+E)
<b>A REVENUE</b>							
Revenue from operations	24,163.51	9,461.54	-	6,383.40	-	6,383.40	21,085.37
Other income	65.65	52.13	0.99	45.20	-	46.19	59.71
<b>Total revenue (A)</b>	<b>24,229.16</b>	<b>9,513.67</b>	<b>0.99</b>	<b>6,428.60</b>	<b>-</b>	<b>6,429.59</b>	<b>21,145.08</b>
<b>B EXPENSES</b>							
Cost of raw materials consumed	17,918.49	1,839.20	12.87	21.86	-	34.73	16,114.02
Purchase of traded goods	1,185.61	7,162.07	-	6,047.44	-	6,047.44	70.98
(Increase)/decrease in inventories of finished goods and work in progress	(68.84)	(32.70)	(12.87)	-	-	(12.87)	(49.01)
Excise duty on sale of goods	2,261.12	250.73	-	109.17	-	109.17	2,119.56
Employee benefits expenses	483.48	2.44	-	-	-	-	481.04
Depreciation and amortisation expense	172.29	0.19	-	-	-	-	172.10
Finance costs	348.31	6.04	-	-	-	-	342.27
Other expenses	909.94	238.59	0.99	206.65	-	207.64	878.98
<b>Total expenses (B)</b>	<b>23,210.40</b>	<b>9,466.56</b>	<b>0.99</b>	<b>6,385.12</b>	<b>-</b>	<b>6,386.11</b>	<b>20,129.94</b>
<b>C Restated Profit before share of profit of associates, exceptional item and tax (A-B)</b>	<b>1,018.76</b>	<b>47.11</b>	<b>-</b>	<b>43.48</b>	<b>-</b>	<b>43.48</b>	<b>1,015.14</b>
<b>D Share of profit of associates (net of tax)</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>
<b>E Profit before exceptional item and tax (C+D)</b>	<b>1,018.80</b>	<b>47.11</b>	<b>-</b>	<b>43.48</b>	<b>-</b>	<b>43.48</b>	<b>1,015.18</b>
<b>F Exceptional item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.20</b>	<b>5.20</b>	<b>5.20</b>
<b>G Profit before tax (E+F)</b>	<b>1,018.80</b>	<b>47.11</b>	<b>-</b>	<b>43.48</b>	<b>5.20</b>	<b>48.68</b>	<b>1,020.38</b>
<b>H Tax expenses</b>							
Current tax	289.65	0.78	-	-	-	-	288.87
MAT Credit entitlement	(25.32)	-	-	-	-	-	(25.32)
Deferred tax charge	43.37	13.91	-	13.44	-	13.44	42.89
<b>Total tax expense</b>	<b>307.70</b>	<b>14.69</b>	<b>-</b>	<b>13.44</b>	<b>-</b>	<b>13.44</b>	<b>306.44</b>
<b>I Restated Profit for the year (G-H)</b>	<b>711.10</b>	<b>32.42</b>	<b>-</b>	<b>30.04</b>	<b>5.20</b>	<b>35.25</b>	<b>713.94</b>
<b>J Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>	<b>(0.76)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.76)</b>
Re-measurement (losses) on defined benefit plans	(1.20)	(0.00)	-	-	-	-	(1.20)
Income tax effect	0.44	0.00	-	-	-	-	0.44
<b>K Total Comprehensive Income for the year (I + J)</b> <b>(Comprising Profit and Other Comprehensive Income for the year)</b>	<b>710.34</b>	<b>32.42</b>	<b>-</b>	<b>30.04</b>	<b>5.20</b>	<b>35.25</b>	<b>713.18</b>
<b>Restated Profit for the year</b>							
Attributed to:							
Equity holders of the Parent	644.83	32.42	-	75.27	-	75.27	687.68
Non Controlling Interest	66.27	-	-	(40.01)	-	(40.01)	26.26
	<b>711.10</b>	<b>32.42</b>	<b>-</b>	<b>35.26</b>	<b>-</b>	<b>35.25</b>	<b>713.94</b>
<b>Other Comprehensive Income</b>							
Attributed to:							
Equity holders of the Parent	(0.79)	(0.00)	-	(0.07)	-	-	(0.86)
Non Controlling Interest	0.03	0.00	-	0.07	-	-	0.10
	<b>(0.76)</b>	<b>(0.00)</b>	<b>-</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>(0.76)</b>
<b>Total Comprehensive income for the year</b>							
Attributed to:							
Equity holders of the Parent	644.03	32.42	-	75.20	-	75.27	686.82
Non Controlling Interest	66.30	0.00	-	(39.94)	-	(40.01)	26.36
	<b>710.33</b>	<b>32.42</b>	<b>-</b>	<b>35.25</b>	<b>-</b>	<b>35.26</b>	<b>713.18</b>
<b>Proforma earning per share (EPS)</b>							
Weighted average number of equity shares for basic earnings per share	2,18,22,780						2,44,93,500
Weighted average number of equity shares for diluted earnings per share	2,33,53,624						2,60,24,344
Proforma basic earning per share	29.55						28.08
Proforma diluted earning per share	27.61						26.42

Note:- The above statement should be read with notes to proforma financial statements.

For S.R. Batliboi & Co. LLP

For and on behalf of the Board of Directors of

Chartered Accountants  
ICAI Firm's Registration No.: 301003E/E300005

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited)

per Anil Gupta  
Partner  
Membership No. 87921

Gauri Shankar Agarwala  
(Chairman)

Mohan Agarwal  
(Managing Director)

Place: New Delhi  
Date: June 04, 2018

Pradeep Singh  
(Company Secretary)

Satish Kaushik  
(Chief Financial Officer)

## **Century Metal Recycling Limited**

(formerly known as Century Metal Recycling Private Limited)

### **Notes to the proforma financial information as at and for the year ended March 31, 2017 and as at and for the nine months period ended December 31, 2017**

#### **1) Background**

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) ('the Company') is a company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Company is situated at W-5/16 Western Avenue, Sainik Farm, New Delhi – 110062.

The Parent and its subsidiaries (hereinafter collectively referred to as 'the Group') are carrying out business of manufacturing and selling of aluminium based die cast alloys and zinc alloys in India.

The Company in its meeting of Board of Directors dated May 14, 2018 resolved to divest 100% investments in SNFT and sold the said investments on May 30, 2018, and as a result, SNFT is not a subsidiary of the Company with effect from that date.

The financial information gives the effect to the divestment of SNFT for consideration of INR 47.69 million.

#### **2) Basis of preparation**

The proforma financial information has been prepared by the Management of the Company in accordance with the requirements of clause (23) of point (IX)(B) of Part A 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 a significant divestment made after the date of the latest annual audited financial statements of the Group, viz. March 31, 2017.

The proforma financial information of the Group comprising the proforma balance sheet as at March 31, 2017 and December 31, 2017 and the proforma statement of profit and loss for the year ended March 31, 2017 and for the nine months ended December 31, 2017, read with the notes to the proforma financial information, has been prepared to reflect the divestment of SNFT. Because of their nature, the proforma financial information addresses a hypothetical situation and therefore, do not represent Group's factual financial position or results.

They purport to indicate the results of operations that would have resulted had the divestment been completed at the beginning of the period presented and the financial position had the divestment been completed as at period/year end but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Group.

The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such proforma financial information has not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Accordingly, the degree of reliance placed by anyone in other jurisdictions on such proforma information should be limited.



In addition, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these proforma financial information.

As explained in the following paragraphs, the proforma balance sheet as at March 31, 2017 and as at December 31, 2017 has been prepared to reflect the divestment by the Company of SNFT as of March 31, 2017 as if the divestment happened on March 31, 2017 itself and as at December 31, 2017 as if the divestment of SNFT happened on December 31, 2017 itself.

The proforma statements of profit and loss for the year ended March 31, 2017 and for the nine months ended December 31, 2017 combine the Group's consolidated statement of profit and loss for the year ended March 31, 2017 and for the nine months period ended December 31, 2017 and SNFT for the year ended March 31, 2017 and for the nine months period ended December 31, 2017 respectively as if the divestment occurred on April 1, 2016 and April 1, 2017 respectively.

The adjustments made to the proforma financial information are included in the following sections.

The proforma financial information is based on:

- a) the restated consolidated balance sheet as at March 31, 2017 and restated consolidated profit and loss accounts of the Group for the year ended March 31, 2017 as at and for nine months ended December 31, 2017; and
- b) the restated Financial Statements of SNFT as at and for the year ended March 31, 2017 and as at and for the nine months period ended December 31, 2017.

### **3) Proforma adjustments**

The following adjustments have been made to present the unaudited proforma financial information:

#### **a) Reclassifications:**

For the preparation of the proforma financial information, certain items have been reclassified in the restated consolidated financial information of the Group. These reclassifications have been carried in these proforma financial information.

#### **b) Intragroup elimination adjustments:**

Intragroup eliminations made in the restated consolidated financial information in respect of transaction with SNFT have been reversed in the preparation of these proforma financial information.

#### **c) Divestment related adjustments**

- i. The total consideration received for the divestment of 100% investment in SNFT is INR 47.69 million. Accordingly, an amount of INR 47.69 million has been added to cash and cash equivalent. The aforesaid adjustment has been considered in proforma balance sheet both as at March 31, 2017 and as at December 31, 2017.
- ii. The Company along with other shareholders have invested further share capital in the share capital of SNFT of INR 48.50 million during the year 2016-17. The Consideration received by the investee company from other shareholders has been added back to the net asset amount as on April 01, 2016 to arrive at profit on divestment of investment in SNFT.

- iii. The computation of profit on divestment on April 01, 2016, April 01, 2017 and December 31, 2017 is as given below:-

(Amount in Rs million)			
Particulars	April 01, 2016	April 01, 2017	December 31, 2017
Consideration Received	47.69	47.69	47.69
Release of Capital Reserve	108.29	105.14	105.14
Release of Non - Controlling interest	126.78	193.84	231.28
Net asset value of SNFT**	(45.25)*	(71.65)	(73.04)
Restatement of share capital, cross held	(6.68)	(6.68)	(6.68)
Restatement of securities premium, cross held	(112.52)	(111.20)	(111.20)
Total	118.31	157.14	193.19
Less: Profit on account of cross holding by SNFT in the equity share capital of the Company transferred to general reserve	(113.05)	(151.29)	(188.00)
Less: Deferred tax charge on above divestment	(0.06)	(0.06)	(0.06)
Net profit on divestment after tax	5.20	5.79	5.13

\*including consideration received towards further issue of equity shares to other shareholders.

\*\* after adjusting investment value in the Company by SNFT.

#### d) Earnings per share (EPS):

Proforma EPS calculation for the year ended March 31 2017 and nine months period ended December 31, 2017 has been based on Proforma Statement of Profit and Loss of respective year/period and the assumption that the equity shares eliminated as part of the transaction were in issue for the whole year/period for which Proforma Financial Information have been presented.

4) Other than as mentioned above, no additional adjustments have been made to the unaudited proforma balance sheet or the proforma statement of profit and loss to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2017 and December 31, 2017, respectively.

**For S.R. Batliboi & Co. LLP**

**Chartered Accountants**

**ICAI Firm's Registration No.: 301003E/E300005**

**per Anil Gupta**

Partner

Membership No. 87921

Place: New Delhi

Date: June 04, 2018

**For and on behalf of the Board of Directors of**

**Century Metal Recycling Limited**

**(formerly known as Century Metal Recycling Private Limited)**

**Gauri Shankar Agarwal**

**(Chairman)**

**Pradeep Singh**  
**(Company Secretary)**

**Mohan Agarwal**  
**(Managing Director)**

**Satish Kaushik**  
**(Chief Financial Officer)**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements beginning on page 300 of this Draft Red Herring Prospectus, prepared in accordance with the Companies Act, Ind AS and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Restated Consolidated Financial Statements" beginning on page 300. Unless otherwise stated, financial information used in this section is derived from the Restated Consolidated Financial Statements.*

*This Draft Red Herring Prospectus contains Proforma Financial Statements of our Company as at and for the year ended March 31, 2017 and for the nine month period ended December 31, 2017, to give a pro forma effect to our divestment of 51.00% of the outstanding equity shares of Sanjivani with effect from May 30, 2018. The Proforma Financial Statements have been prepared, based on the same accounting policies as our Restated Consolidated Financial Statements, to show retrospectively the main effects of such divestment on our results of operations.*

*There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations.*

*This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Forward Looking Statements" and "Risk Factors" on pages 15 and 17, respectively.*

*In this section, unless the context otherwise requires, a reference to "we", "us", "our", "the Group" or "the Company" is a reference to our Company on a consolidated basis.*

### Overview

We are the largest recycler in the aluminum recycling industry in India according to the CRISIL Report. We are focused on processing aluminium based metal scrap to manufacture aluminium alloys and supply them in liquid form and in the form of solid ingots. Our Company has, from Fiscal 2013 to 2018, grown at an effective CAGR of 13% on the basis of sales volume, compared to an aggregate recycled aluminium growth of approximately 10% CAGR, and currently occupies an estimated market share of approximately 40 - 45% in north India and approximately 15 - 20% in south India, resulting in an overall market share of approximately 21% in the automotive segment of recycled aluminium industry in India (*Source: CRISIL Report*). Since Fiscal 2013 until Fiscal 2018, our annual installed capacity has grown by approximately 70%, from 128,000 MT to 218,000 MT, making us the fastest growing producer of aluminium alloys in India. We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. Over the years, we have endeavored to set industry standards in relation to the technology employed and the quality of products supplied to our customers such as the supply of liquid aluminium.

We primarily cater to the automotive manufacturing sector in India, specifically in the passenger vehicle, two-wheeler and die casting segments. We supply our products to OEMs and Tier 1 companies in the automotive manufacturing sector in India. Tier 1 companies are companies that directly supply to OEMs. Some of our OEM customers include Maruti Suzuki India Limited, Honda Cars India Limited, Honda Motorcycle and Scooter India Private Limited and India Yamaha Motor Private Limited, while our customers, who are Tier 1 companies include Rockman Industries Private Limited, Sunbeam Auto Private Limited, Rico Auto Industries Limited, Minda Industries Limited, Minda Corporation Limited, Jaya Hind Montupet Private Limited, Nemak Aluminium Casting India Private Limited, Toyota Industries Engine India Private Limited, Ahresty India Private Limited and ASK Automotive Private Limited, among others.

We operate through our seven manufacturing facilities, with a combined annual installed capacity of 218,000 MT, as on March 31, 2018, the largest in the domestic automotive aluminum recycling industry, as per the CRISIL Report. Our installed capacities accounted for approximately 16% of the aggregate estimated installed recycling

capacities domestically, as of March 2018, as per the CRISIL Report. These manufacturing facilities are present in some of the key auto clusters in north India and south India. Four of these facilities are situated at Tatarpur, Gurugram, Manesar and Bawal, in the state of Haryana while our other manufacturing facilities are situated at Haridwar, Bhiwadi and Chennai, in the states of Uttarakhand, Rajasthan and Tamil Nadu, respectively. Our manufacturing facilities are strategically located close to our customers' manufacturing facilities allowing us to optimise our deliveries, reduce lead times and facilitate greater interaction with our customers. These manufacturing facilities employ modern equipment such as shredders, regenerative burners, baghouses, pump furnaces and de-coaters, rotary sieves, gravimetric separation and eddy current separators, among others.

We were one of the initial suppliers of liquid aluminium and occupied approximately 70% of the market share in liquid aluminium space in Fiscal 2018, as per the CRISIL Report. We started supplying liquid aluminium, through our manufacturing facilities situated adjacent to the premises of our customers in September 2008, and through road transport in November 2013. There is an increasing trend of supplying liquid aluminium to the customers owing to several operational advantages to the suppliers as well as the customers and in order to keep abreast with this trend, we have been focusing on supplying liquid aluminium to our customers. For instance, in addition to saving inventory handling costs, supply of liquid aluminium eliminates the re-melting process thereby minimising oxidation losses and reducing power and fuel consumption for our customers. Our strategically located manufacturing facilities allow us to supply liquid aluminium to our customers, in side by side facilities and, to customers located up to a distance of 20 - 25 kilometers, over the road, using specialized containers and specially designed trucks, thereby enabling us to not only adhere to their round the clock delivery schedules but also develop interdependence between us and our customers. We have, in the past, achieved up to 99 deliveries of liquid aluminium in a single day to one of our customers.

In order to strengthen our business operations in India, we entered into joint venture agreements with two Japanese aluminium alloy manufacturers, Nikkei and Toyota Tsusho to leverage the combination of their technology with our own existing know-how and manufacturing capabilities for providing innovative and superior quality products to our customers. Accordingly, in the year 2012, we set up our Subsidiaries, CMRN in Bawal, Haryana, where we presently hold 74% stake, and CMRT in Chennai, Tamil Nadu, where we presently hold 90% stake, in partnership with Nikkei and Toyota Tsusho, respectively. Pursuant to these arrangements, we started supplying liquid aluminium through road transport to our customers in November, 2013. We also intend to capitalise on our strong relationships with our joint venture partners by foraying into geographies where we have potential for further penetration. For instance, we are in the process of commissioning a new manufacturing facility in Gujarat through CMRN. Additionally, we are in the process of establishing a new facility in Chennai through CMRT to cater to the increasing demand of liquid aluminium in southern India.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. As on the date of this Draft Red Herring Prospectus, certain of our manufacturing facilities have accreditations such as the TS 16949:2009 for quality management systems, ISO 14001:2015 for environmental management systems and OHSAS 18001:2007 for occupational health and safety management systems. Further, our Company has recently received the 'Best Recycler Award' from Mtlx in 2017. We have also received various awards from our customers over the years such as the 'Best Debutant Supplier Award', 'Best Supplier Award', 'Best Supplier - Business Support Award' and the 'Best Delivery Performance Award', among others.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review, and may continue to affect our results of operations and financial condition in the future.

#### ***Maintaining our customer relationships***

A significant portion of our revenue from operations arises from sales of our products to our customers (which includes finished and traded products), with a small proportion arising from sale of scrap and also sale of services which are in the nature of job works executed. We have over the years established long-term relationships with our customers leading to recurrent business engagements with them. Some of our customers, who are Tier 1 companies include Rockman Industries Private Limited, and Sunbeam Auto Private Limited and our OEM customers include Maruti Suzuki India Limited, Honda Cars Limited, Honda Motorcycle and Scooter India

Private Limited and India Yamaha Motor Private Limited, among others. Our major customers comprising Tier 1 companies as well as OEMs, have been with us for the last ten Fiscals.

We believe that our continued relationships with these customers plays a significant role in our growth and results of operations. We believe that our customer retention levels reflect our ability to provide quality products as per the customer specification, and our consistent customer servicing standards have enabled us to increase our customers' dependence on us. We strive to understand our customers' business needs and provide products to meet their requirements. We will continue to work with our Tier 1 companies and OEM customers in order to develop and supply customised products. We anticipate that our product offerings, the quality thereof and leadership in key product segments will help us in increasing our share of business amongst our existing customers as well as increase our customer base. However, our customers are dependent on general trends in the automotive industry and we expect new investments by these customers to increase our revenue, while a slow-down in demand for these customers' products would likely have an adverse effect on our revenues and results of operations.

#### ***Change in customer preferences, market conditions and industry trends affecting the auto industry***

We derive our revenue primarily from sales to the automotive industry. Sales of most of our products are directly related to the production and sales of auto components by our customers, which are impacted by general macro-economic or industry conditions, including seasonal trends in the automobile manufacturing sector, volatile fuel prices, rising employee expenses and challenges in maintaining amicable labour relations as well as evolving regulatory requirements, government initiatives, trade agreements and other factors. Our business also depends substantially on global economic conditions.

For instance, during Fiscal 2013 and 2017, the demand for recycled aluminium is estimated to have grown by approximately 9% CAGR, domestically. This was primarily supported by rising application of non-ferrous casting in the automotive sector, contributing to approximately 60-65% share in the total recycled aluminium sector. Further, in Fiscal 2018, the demand for recycled aluminium increased, rising at the rate of approximately 17% y-o-y. This growth was primarily led by a sharp rebound in sales volumes in the automotive industry (including of two wheelers, three wheelers, cars, utility vehicles and commercial vehicles), which is estimated to have grown at approximately 14% y-o-y during the year, as against approximately 7% CAGR during Fiscals 2013 and 2018, as per the CRISIL Report.

Our sales volumes have also witnessed a growth of approximately 13% CAGR on the basis of sales volume during Fiscals 2013 and 2018. Going forward, the automotive industry is expected to drive majority of the recycled aluminium demand throughout the period between Fiscals 2018 to 2023. The demand from automotive segment is expected to witness approximately 10% CAGR on account of a healthy rise in vehicle production, over the next five years, following the improvement in the macroeconomic scenario, steadily rising disposable incomes etc. Moreover, the intensity of aluminium per vehicle is expected to witness a gradual rise, as OEMs aim to optimise vehicle's weight to strength ratio and improve fuel efficiency, as per the CRISIL Report. With an increased focus of the government on implementing the electric vehicle policy, continued vehicle weight reduction will further support a rise in the demand for aluminium, though in the long term increased preference for recycled aluminium by component manufacturers is expected to further aid rise in intensity, thereby supporting a growth in the demand from the sector.

Our results of operations are dependent on our ability to anticipate, gauge and respond to the changes in customer preferences and supply new products or modify our existing products in line with the changes in trends as well as customer demands and preferences, especially with the anticipated entry of electric vehicles into the automotive industry. Additionally, we believe that the cyclical nature of general macro-economic conditions and, consequently, of the automotive industry implies that our results of operations can fluctuate substantially from period to period. We expect that these macro-economic factors and conditions in the automotive industry, particularly employment levels, fuel prices, consumer spending on passenger and commercial vehicles and interest rates, particularly in India, will continue to be the most important factors affecting our revenues and results of operations. Other factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to retain customers in competitive situations, but the overall direction of the automotive industry is expected to have a more significant effect on our revenues and results of operations.

#### ***Cost of procuring raw materials and manufacturing our products***

The essential raw material used by our manufacturing facilities for production of aluminium alloy ingots and liquid aluminium alloy is aluminium based metal scrap. Our Company has the capability to procure and process

a variety of aluminium based scrap such as zorba, taint tabor, tense troma, turning, tally, among others. We have been procuring aluminium based metal scrap from our global suppliers, from various countries across six continents, as well as from certain domestic suppliers. The scrap prices vary from market to market, and our buying team, accordingly analyses the arbitrage in different markets to take possible advantages of such variations by purchasing more from the cheaper source. Our cost of raw materials consumed including trading purchase and increase/decrease in inventory for the nine month period ended December 31, 2017 and for the Fiscals 2017, 2016 and 2015 was ₹ 15,057.15 million, ₹ 19,035.26 million, ₹ 19,470.25 million and ₹ 17,112.35 million, which represented 85.60%, 86.91%, 91.27% and 89.78% of our revenue from operations, net of excise duty on sale of goods, respectively.

We import most of our raw materials and payments are carried out in foreign currencies. This exposes us to currency fluctuation risk. The prices of our raw materials used by us are volatile and are subject to various factors including commodity prices, global economic conditions and market speculation, among others. We do not enter into any firm commitment long-term contracts with our suppliers. As a practice, the alloy prices are generally fixed on a monthly basis by one of our major OEM customers, which generally forms the basis for most of our customers. Various factors including movements in scrap prices and currency and average of scrap prices and forex rates of the preceding month are considered while fixing the alloy prices. Considering we make our payments to our raw materials suppliers approximately 30 days prior to the sale of our finished goods, this helps give us a natural hedge against price and forex fluctuations to a large extent.

Since we have long lead times in our supply chain due to high imports, the scrap markets and forex rate may fluctuate in the intervening time and we may not be able to adjust prices of our finished products against what we would have paid for our raw materials. We may not be able to effectively hedge ourselves from the fluctuations in scrap prices and foreign exchange rate and this may have an adverse impact on our profitability. Further, volatility in prices of our raw materials can significantly affect our raw material costs and if we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

#### ***Growing demand for liquid aluminium***

As per the CRISIL Report, we were one of the initial suppliers of liquid metal having started supplying liquid aluminium to our customers, through our manufacturing facilities situated adjacent to the premises of our customers since September 2008, and through road transport since November 2013. Supply of liquid metal has inherent advantages over the supply of solid ingots. In addition to providing benefits to the customers as well as suppliers, supplying liquid aluminium also results in certain environmental benefits. For details, see “*Our Business*” on page 119.

We supply liquid aluminium through our Haridwar Unit, Bhiwadi Unit and Gurgaon Unit, located adjacent to the facility of our customers, using ladles mounted on forklifts and these deliveries are made on a round the clock basis, throughout the year. In the past, we have achieved supply of up to 99 deliveries of liquid aluminium to one of our customers, in a day. Further, through our Bawal Unit, Chennai Unit and Manesar Unit, we supply liquid metal over the road, in ladles placed in specially designed trucks. Transportation of liquid aluminium can typically be carried out for destinations within a distance of up to 20 - 25 kilometers. We have achieved up to 120 deliveries, to various customers in a day, from our Manesar Unit. We believe that our endeavour to continually deliver, within short timelines, creates a great interdependency between us and our customers, thereby creating a virtual customer lock in and entry barrier into our industry. Over the years, the share of sale of liquid aluminium as part of our total sales has been rising consistently. For the Fiscal ended 2017 and for the nine month period ended December 31, 2017, the sale of liquid aluminium alloy accounted for 58.64% and 60.66%, respectively, of our total aluminium and zinc alloy sales volume. At the industry level, as per the CRISIL Report, the total production in the liquid form is estimated to account for only approximately 15% annually, with a majority of the market share being held by us. Accordingly, we expect a significant rise in the demand for liquid aluminium on account of such operational advantages and environmental benefits.

Presently, automotive manufacturers in south India rely significantly on importing aluminium ingots because of absence of any major organised player. According to CRISIL Report, the import of aluminium alloy ingots is estimated to have accounted for approximately 15 - 20% of the total recycled aluminium ingots demand in Fiscal 2018. Additionally, consequent to India's FTA with certain countries including Malaysia and Thailand, solid ingots are imported at highly competitive prices in south India, even though the benefit is partially offset to the extent of relevant freight charges. Our growth strategy in south India is to target and substitute the import of aluminium alloy ingots with our liquid aluminium offering. We have even approached certain of our customers

for supply of liquid aluminium in south India and have received a favourable response. Accordingly, we intend to serve the demand and are in the process of setting up our facility to capitalise on the opportunity by supplying liquid aluminium to our customers in south India. Pursuant to this facility, we plan to gain a share in the regional market at an early stage as compared to our competitors. Additionally, our upcoming facility in Gujarat is being established to primarily cater to the liquid aluminium demand of one of our significant customers in the region. We have already received a letter of intent from them to this effect.

Accordingly, we have, in the past focused significantly on the supply of liquid metal and therefore have been able to create greater interdependency between us and our customers. This has enabled us to grow with our customers, gradually enabling us to capture the largest market share in the industry in India. However, if we are unable to anticipate any changes in the industry standards and to successfully develop and introduce new and enhanced products on a timely basis, we may lose market share and consequently, our business, financial condition, and results of operations may be adversely affected.

### ***Competition***

The Indian aluminium recycling industry is dominated by the unorganised sector comprising of medium and small sized players. These medium and small sized players incur significantly lower capital expenditure to set up manufacturing facilities as compared to large sized players, primarily on account of low level of mechanisation and less adherence to necessary compliance, as per the CRISIL Report. This sometimes results in faster break-even period for these players as price differential between large and small players is typically minimal. This, however, results in a low bargaining power of a majority of recyclers, especially the small scale recyclers. We set up manufacturing facilities in new and developing markets and not in markets which are already being supplied to, by these existing suppliers.

Further, we believe that post GST implementation, stringent compliance requirements will lead to increasing compliance costs for the unorganised segment and consequently, a shift in the industry from unorganised to organised, in the long run. However, we may face a reduction in the supply for our products in the event that any major Tier 1 companies and OEMs that we currently supply to decide to manufacture any or all of their products in-house.

### **Significant Accounting Policies**

Century Metal Recycling Limited (formerly known as Century Metal Recycling Private Limited) (the “**Parent Company**”) is a company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The consolidated financial statements relate to the parent company, its subsidiaries and its associate (Collectively hereinafter referred to as “**Group**”).

The accounting policies, as set out below, have been consistently applied, by the Group, to all the periods/years presented in the financial statements.

#### **1. *Current versus non-current classification***

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or

- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## **2. Foreign currencies**

The Group financial statements are presented in INR, which is also the Group's functional currency.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## **3. Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities



Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### **4. *Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, rebates etc., taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty

However, sales tax/ value added tax (VAT)/Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following recognition criteria described below must also be met before revenue is recognised

##### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances, discounts and rebates.

##### **Sale of services**

Revenue from job work in process is recognised by reference to the stage of completion. Stage of completion is measured by reference to job work in process at the year end and is recognized at measured value of conversion charges as increase\ decrease in job work in process. The Group collects service tax/ Goods and Services Tax on job work on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

### **Interest income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

### **Export incentive**

Export incentive under the EPCG scheme are accounted in the year of export of goods considering certainty in the collection of export proceeds.

### **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

## **5. Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **6. Income Taxes**

The income tax expense comprise of current and deferred income tax.

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- (b) In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in 'OCI' or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group companies restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### **Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a period/year is charged to the statement of profit and loss as current tax for the period/year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group companies recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group companies reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **7. *Non-Current Asset held for sale:***

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to

the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The group treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

## **8. *Property, plant and equipment ('PPE')***

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

Capital work in progress and PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, freehold land is carried at historical cost and other items of PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised.

The expenditures those are incurred after the item of PPE is available for use, such as repairs and maintenance, are charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where such expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is provided on straight line basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below except for certain components of plant and machinery useful lives of which has been taken as 8-9 years based on independent assessment of professionals undertaken by Group's management.

Asset	Useful life
Office Building	60 years
Factory Buildings	30 years
Roads	05 years
Plant and equipment	10-25 years
Furniture and fixtures	10 years
Office equipment	05 years

Vehicles	08 years
Computers	03 years

Lease hold land is amortized on straight line basis over the useful life of leasehold land. Lease hold improvements are depreciated on a straight line basis over the useful life of asset or the unexpired lease period ranging from 2.5 to 10 years, whichever is lower.

Individual items of property, plant and equipment costing upto Rs 10,000/- is charged to the statement of profit and loss in the year in which it is purchased or acquired.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset.

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the previous carrying value of all its property, plant and equipment and measured as per the previous GAAP and use that carrying value except accounting for Government grant and Transaction cost of long term borrowings as the deemed cost of the property, plant and equipment and capital work-in-progress.

The cost of capital work-in-progress is presented separately in the balance sheet.

## **9. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license not exceeding six years from the date when the asset is available for use.

The amortisation expense on intangible assets is recognised in the statement of profit and loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each balance sheet date. If expected useful life is significant different from previous assessment, the change in useful life is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the previous carrying value of all its intangible assets recognised and measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## **10. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **11.     *Impairment of non-financial assets***

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

## **12.     *Leases***

The determination of whether an arrangement is a lease is based on whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

### **Group as a lessee**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease where risks and rewards incidental to ownership of an asset substantially vest with the lessor is classified as operating lease.

Lease rental payments under operating leases are generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

## **13. *Inventories***

Inventories are valued at the lower of cost and net realisable value.

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on First in first Out (FIFO) basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **14. *Provisions***

### **General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

## **15. *Contingent Liabilities and assets***

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed in the financial statements only when an inflow of economic benefits is probable.

## **16. *Employee benefits***

The Group's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans and compensated absences. The employee benefits are recognised in the period/year in which the associated services are rendered by the Group employees.

**i) Defined contribution plans – Provident fund**

**Provident fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards provident fund which are defined contribution plans. The Group has no obligation, other than the contribution payable to the funds. The Group recognises contribution payable to the fund scheme in the statement of profit and loss, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**ii) Defined benefit plans - Gratuity**

**Gratuity**

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; this benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under this plan is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

**iii) Other employee benefits**

The employees can carry forward a portion of the unutilized accrued compensated absences and utilise it in future service periods or receive cash compensation during termination of employment.

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss.

The Group presents the leave liability as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**17. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition**



The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### **Subsequent measurement**

#### **i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

#### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

#### **iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

#### **iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method or at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the criteria under Ind AS 109 are satisfied. All other financial liabilities are subsequently measured at amortised cost.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

#### **a) Borrowings**

On initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of the financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

### **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **18. *Derivatives***

The Group uses derivative financial instruments such as forward exchange contracts to hedge risks associated with foreign currency fluctuations.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

#### **19. *Cash and cash equivalents***

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### **20. *Cash dividend***

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **21. *Segment***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating decision maker reviews business performance at an overall Group level as one segment "Aluminium ingots and Zinc ingots".

#### **22. *Earning per share***

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period/ year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period/year is adjusted for events such as bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period/year attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

#### **23. *Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative***

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in Annexure XVII of the Restated Consolidated Financial Statements.

## **Principal Components of revenue and expenditure**

### ***Revenue***

#### *Revenue from operations*

Revenue from operations comprises revenue from sale of products (which consists of finished products and traded products) and other operating revenues. This other operating revenues primarily consist of sale of scrap, job work charges and export incentives.

Revenue from operations accounted for 99.76%, 99.73%, 99.82% and 99.77% of our total revenue for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016 and 2015, respectively.

#### *Other income*

Other income primarily includes interest income from customers and on bank deposits; corporate guarantee commission, subsidy from commercial tax department, fluctuation in foreign exchange and amortization of government grant and other non-operating income.

Other income accounted for 0.24%, 0.27%, 0.18% and 0.23% of our total revenue for the nine month period ended December 31, 2017 and for Fiscals 2017, 2016 and 2015, respectively.

### ***Expenses***

Our total expenses consist of the following:

- cost of raw materials consumed;
- purchases of traded goods;
- (increase)/decrease in inventories of finished goods and work in progress;
- excise duty on sale of goods;
- employee benefits expenses which primarily consists of salaries and wages and to a lesser extent contributions to provident and other funds and staff welfare expenses;
- depreciation and amortization expense primarily on our fixed assets;
- finance costs which primarily consists of (a) interest expense on our fixed-period term loans and other short term loans and related facilities including cash credit limits and discounting facilities, (b) net losses on foreign currency transactions and translation and (c) other items, such as bank charges; and
- other expenses which primarily comprise of power and fuel expense, consumption of stores and spares, expense on repairs and maintenance of plant and equipment, travelling and conveyance expense, dross melting expense, freight and forwarding expense, rent among others.

## Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

*(₹ in million, except percentage)*

Particulars	Nine month period ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	₹ in million	% of total revenue	₹ in million	% of total revenue	₹ in million	% of total revenue	₹ in million	% of total revenue
<b>REVENUE</b>								
Revenue from operations	18,154.62	99.76	24,163.51	99.73	23,405.08	99.82	20,893.46	99.77
Sale of products								
Finished products	16,090.73	88.42	20,932.57	86.39	19,694.49	83.99	18,247.64	87.13
Traded products	38.33	0.21	1,328.54	5.48	1,561.03	6.66	535.40	2.56
<b>Other operating revenues</b>								
Sale of services *	13.25	0.07	16.02	0.07	9.93	0.04	24.28	0.12
Sale of Scrap and Others**	2,012.21	11.06	1,886.38	7.79	2,138.86	9.12	2,074.33	9.90
Export Incentive	0.10	0.00	-	0.00	0.77	0.00	11.81	0.06
Other income	43.15	0.24	65.65	0.27	42.55	0.18	48.87	0.23
<b>Total revenue (A)</b>	<b>18,197.77</b>	<b>100.00</b>	<b>24,229.16</b>	<b>100.00</b>	<b>23,447.63</b>	<b>100.00</b>	<b>20,942.32</b>	<b>100.00</b>
<b>EXPENSES</b>								
Cost of raw materials consumed	15,072.76	82.83	17,918.49	73.95	17,971.12	76.64	16,780.58	80.13
Purchase of traded goods	27.45	0.15	1,185.61	4.89	1,315.27	5.61	480.45	2.29
(Increase)/decrease in inventories of finished goods and work in progress	(43.06)	(0.24)	(68.84)	(0.28)	183.86	0.78	(148.68)	(0.71)
Excise duty on sale of goods	564.73	3.10	2,261.12	9.33	2,071.94	8.84	1,833.37	8.75
Employee benefits expenses	429.69	2.36	483.48	2.00	482.47	2.06	468.90	2.24
Depreciation and amortization expense	131.66	0.72	172.29	0.71	165.91	0.71	144.38	0.69
Finance costs	207.17	1.14	348.31	1.44	477.70	2.04	447.05	2.13
Other expenses	786.58	4.32	909.94	3.76	789.75	3.37	989.70	4.73
<b>Total expenses (B)</b>	<b>17,176.98</b>	<b>94.41</b>	<b>23,210.40</b>	<b>95.80</b>	<b>23,458.02</b>	<b>100.04</b>	<b>20,995.75</b>	<b>100.26</b>
<b>Restated Profit/(loss) before share of profit/(loss) of associates and tax (A-B)</b>	<b>1,020.79</b>	<b>5.61</b>	<b>1,018.76</b>	<b>4.20</b>	<b>(10.39)</b>	<b>(0.04)</b>	<b>(53.42)</b>	<b>(0.26)</b>
Share of (loss) of associates (net of tax)	0.10	0.00	0.04	0.00	0.08	0.00	0.11	0.00
<b>Profit/(loss) before tax (C+D)</b>	<b>1,020.89</b>	<b>5.61</b>	<b>1,018.80</b>	<b>4.20</b>	<b>(10.31)</b>	<b>(0.04)</b>	<b>(53.31)</b>	<b>(0.25)</b>
<b>Tax expenses</b>								
Current tax	302.08	1.66	289.65	1.20	22.29	0.10	19.38	0.09
MAT Credit entitlement	(30.50)	(0.17)	(25.32)	(0.10)	(2.47)	(0.01)	(13.82)	(0.07)
Deferred tax charge / (credit)	43.82	0.24	43.37	0.18	(33.13)	0.14	(31.57)	0.15
<b>Total tax expense/ (credit)</b>	<b>315.40</b>	<b>1.73</b>	<b>307.70</b>	<b>1.27</b>	<b>(13.31)</b>	<b>(0.06)</b>	<b>(26.01)</b>	<b>(0.12)</b>
<b>Restated Profit/(loss) for the year/ period (E-F)</b>	<b>705.49</b>	<b>3.88</b>	<b>711.10</b>	<b>2.93</b>	<b>3.00</b>	<b>0.01</b>	<b>(27.30)</b>	<b>(0.13)</b>

The following table sets forth certain information with respect to our Earnings Before Interest, Taxes, Depreciation and Amortization Expenses (“**EBITDA**”) for the periods indicated:

Particulars	For the period ended December 31, 2017	Fiscal ended March 31, 2017	Fiscal ended March 31, 2016	Fiscal ended March 31, 2015	Fiscal ended March 31, 2014	Fiscal ended March 31, 2013
Restated Profit/(loss) for the year/period [A]	705.49	711.10	3.00	(27.30)	37.31	295.75
Adjustments :-						
Add:- Total tax expenses	315.40	307.70	(13.31)	(26.01)	5.75	36.37
Add:- Finance Cost	207.17	348.31	477.70	447.05	290.99	265.48
Add:- Depreciation and Amortization expenses	131.66	172.79	165.91	144.38	69.99	54.27
Less:- Interest Income on bank deposits, income tax refunds and from customers and others	(15.26)	(27.60)	(26.93)	(39.11)	(36.51)	(20.17)
Less:- Profit on sale of non-current investments	-	-	(0.00)	(0.01)	-	-
Less:- Profit on sale of current investments	-	-	-	-	(0.06)	-
Less:- Corporate guarantee commission	(4.78)	(4.79)	(6.94)	(2.63)	(5.55)	-
Less:- Dividend Income	-	-	-	-	(5.37)	(3.27)
Less:- Amortisation of government grant	(6.54)	(2.55)	(1.29)	(3.42)	(8.88)	(8.43)
Less:- Gain on fair valuation of equity shares held as investment	(0.46)	(0.93)	-	-	-	-
Total Adjustments [B]	627.19	792.93	595.13	520.26	310.35	324.25
<b>EBITDA [A+B]</b>	<b>1,332.68</b>	<b>1,504.03</b>	<b>598.13</b>	<b>492.96</b>	<b>347.66</b>	<b>620.00</b>
Revenue from Operation	18,154.62	24,163.51	23,405.08	20,893.46	14,756.79	13,661.31
EBITDA margin [EBITDA/ Revenue from operations in %]	7.34%	6.22%	2.56%	2.36%	2.36%	4.54%

Earnings Before Interest, Tax, Depreciation and Amortization (“**EBITDA**”) presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

For details, “Financial Statements – Annexure VI – Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements” on page 335.

### Nine month period ended December 31, 2017

#### Revenue

Our total revenue for the nine month period ended December 31, 2017 was ₹ 18,197.77 million, comprising income from manufacturing and supply of aluminium alloy ingots and liquid aluminum alloys, sale of scrap, job work charges and export incentives. Additionally, our other income primarily includes interest income from customers and from bank deposits, income tax refunds, corporate guarantee commission received from our joint venture partners, subsidy from commercial tax department (Government of Rajasthan), fluctuation in foreign exchange and other non-operating income.

#### Revenue from operations

Our revenue from operations for the nine month period ended December 31, 2017 was ₹ 18,154.62 million, which comprised of sale of finished products, including aluminum alloys and zinc alloys amounting to ₹ 16,090.73

million, sale of traded products amounting to ₹ 38.33 million, sale of services amounting to ₹ 13.25 million, sale of scrap consisting of segregated metal scrap, ash and residue amounting to ₹ 2,012.21 million and export incentive amounting to ₹ 0.10 million.

#### *Other income*

Our other income for the nine month period ended December 31, 2017 was ₹ 43.15 million, which primarily comprised of interest income on bank deposits amounting to ₹ 5.54 million, interest income on income tax refunds amounting to ₹ 3.94 million, interest income from customers and others amounting to ₹ 5.78 million, corporate guarantee commission received from our joint venture partners, amounting to ₹ 4.78 million, subsidy from commercial tax department (Government of Rajasthan) amounting to ₹ 7.52 million, fluctuation in foreign exchange amounting to ₹ 8.36 million and amortization of government grant amounting to ₹ 6.54 million.

#### *Expense*

Our total expenses for the nine month period ended December 31, 2017 was ₹ 17,176.98 million.

Our total expenses for the nine month period ended December 31, 2017 comprised of cost of raw materials (which includes cost of raw materials consumed, purchase of traded goods and change in inventories of finished goods and work in progress) amounting to ₹ 15,057.15 million, excise duty on sale of goods amounting to ₹ 564.73 million, employee benefits expenses amounting to ₹ 429.69 million, depreciation and amortization expense amounting to ₹ 131.66 million, finance costs amounting to ₹ 207.17 million and other expenses amounting to ₹ 786.58 million, which primarily includes power and fuel expense, consumption of stores and spares, expense on repairs and maintenance of plant and equipment, travelling and conveyance expense, dross melting expense and freight and forwarding expense.

Our expenses for the nine month period ended December 31, 2017 was driven primarily by expenditure made towards purchase of raw materials which is the most essential component used for the manufacture of aluminium alloys. We also incur significant expense, amounting to ₹ 433.21 million, towards power and fuel consumption for operating furnaces in our manufacturing facilities.

#### *Profit before tax*

Our profit before tax for the nine month period ended December 31, 2017 was ₹ 1,020.89 million.

#### *Tax expense*

Our tax expense for the nine month period ended December 31, 2017 was ₹ 315.40 million, comprising of a current tax of ₹ 302.08 million, deferred tax charge of ₹ 43.82 million and this was offset by minimum alternate tax credit entitlement of ₹ 30.50 million.

#### *Restated profit for the period*

Our restated profit, after tax, for the period ended December 31, 2017 was ₹ 705.49 million.

### **Fiscal 2017 compared to Fiscal 2016**

#### *Revenue*

Our total revenue increased by ₹ 781.53 million, or 3.33%, to ₹ 24,229.16 million in Fiscal 2017 from ₹ 23,447.63 million in Fiscal 2016, primarily due to an increase in our revenues from operations arising out of increase in sale volumes and an increase in other income by ₹ 23.10 million, or 54.29%, to ₹ 65.65 million in Fiscal 2017 from ₹ 42.55 million in Fiscal 2016.

#### *Revenue from operations*

Our revenue from operations increased by ₹ 758.43 million, or 3.24%, to ₹ 24,163.51 million in Fiscal 2017 from ₹ 23,405.08 million in Fiscal 2016, primarily due to an increase in our revenues from operations arising out of a higher supply of aluminium alloys on account of an increase in demand, linked primarily to the growth of the automotive segment as well as due to an increase in our wallet share in our existing customers. Additionally, there

was an increase in our sale of services to ₹ 16.02 million in Fiscal 2017 from ₹ 9.93 million in Fiscal 2016. This was partially offset by a decrease in sales of some of our traded products and sale of scrap, which was on account of reduction of demand due to the impact of demonetisation in the fourth quarter.

#### *Other income*

Our other income increased by ₹ 23.10 million, or 54.29%, to ₹ 65.65 million in Fiscal 2017 from ₹ 42.55 million in Fiscal 2016, primarily due to gains from subsidy from commercial tax department (government of Rajasthan) and foreign exchange fluctuation (net) during this period in line with changes in currency exchange rates during this period.

#### *Expenses*

Our total expenses decreased by ₹ 247.62 million, or 1.06% to ₹ 23,210.40 million in Fiscal 2017 from ₹ 23,458.02 million in Fiscal 2016. Our total expenses declined as a percentage of total revenue from 100.04% in Fiscal 2016 to 95.80% in Fiscal 2017, on account of a significant reduction in cost of raw materials consumed and the finance costs as well as better inventory management by our Company.

#### *Cost of raw materials consumed*

Our cost of raw materials consumed, including purchase of traded goods and changes in inventories of finished goods and work in progress, decreased by ₹ 434.99 million, or 2.23%, to ₹ 19,035.26 million in Fiscal 2017 from ₹ 19,470.25 million in Fiscal 2016 owing to achieving operational efficiency pursuant to the stabilisation of our manufacturing facilities set up in Fiscal 2015 as well as low raw material prices during the first and the second quarter of Fiscal 2017.

As a percentage of our total revenue (net of excise duty on sale of goods), cost of raw materials consumed including traded goods and (increase)/decrease in inventories of finished goods and work in progress decreased to 86.65% in Fiscal 2017, from 91.09% in Fiscal 2016 primarily owing to us achieving operational efficiency pursuant to the stabilisation of our manufacturing facilities set up in Fiscal 2015 as well as on account of realization of better prices.

#### *Excise duty on sale of goods*

The excise duty on the sale of goods increased by ₹ 189.18 million, or 9.13% to ₹ 2,261.12 million in Fiscal 2017 from ₹ 2,071.94 million in Fiscal 2016.

#### *Employee benefits expense*

Our employee benefits expense marginally increased by ₹1.01 million, or 0.21%, to ₹483.48 million in Fiscal 2017 from ₹482.47 million in Fiscal 2016.

#### *Depreciation and amortization expenses*

Our depreciation and amortization expenses increased by ₹ 6.38 million, or 3.84%, to ₹ 172.29 million in Fiscal 2017 from ₹ 165.91 million in Fiscal 2016, due to an increase in the fixed assets base of our Company resulting primarily from purchase of furnaces in our Chennai Unit and Bawal Unit, baghouse equipment in our Chennai Unit and other equipment such as forklift, degassing machine, dross separation system, across our manufacturing facilities.

#### *Finance costs*

Our finance costs decreased by ₹ 129.39 million, or 27.09%, to ₹ 348.31 million in Fiscal 2017 from ₹ 477.70 million in Fiscal 2016. This decrease was primarily on account of efficient working capital management and a reduction in the rate of interest.

#### *Other expenses*

Our other expenses increased by ₹ 120.19 million, or 15.22%, to ₹ 909.94 million in Fiscal 2017 from ₹ 789.75 million in Fiscal 2016, primarily due to increases in (i) expense towards power and fuel charges on account of

increase in prices and increase in our production; (ii) expense towards repairs and maintenance of plants and equipment; (iii) expense towards freight and forwarding charges; (iv) rent; and (v) miscellaneous expenses incurred during this period.

#### ***Profit before tax***

On account of factors mentioned hereinabove, our restated profit before tax increased by ₹ 1,029.11 million, to ₹ 1,018.80 million in Fiscal 2017 from loss of ₹ 10.31 million in Fiscal 2016.

#### ***Tax expense***

Our total tax expenses increased by ₹ 321.01 million, to ₹ 307.70 million in Fiscal 2017 from ₹ (13.31) million in Fiscal 2016, primarily due to a significant increase in current tax expense and the deferred tax during this period.

#### ***Restated profit for the period***

On account of factors mentioned hereinabove, our restated profit increased by ₹ 708.10 million, to ₹ 711.10 million in Fiscal 2017 from ₹ 3.00 million in Fiscal 2016.

### **Fiscal 2016 compared to Fiscal 2015**

#### ***Revenue***

Our total revenue increased by ₹ 2,505.30 million, or 11.96%, to ₹ 23,447.63 million in Fiscal 2016 from ₹ 20,942.33 million in Fiscal 2015, primarily due an increase in the revenue from operations by ₹ 2,511.63 million, or 12.02%, to ₹ 23,405.08 million in Fiscal 2016 from ₹ 20,893.46 million in Fiscal 2015, and this was partially offset by a decrease in other income by ₹ 6.32 million, or 12.93%, to ₹ 42.55 million in Fiscal 2016 from ₹ 48.87 million in Fiscal 2015.

#### ***Revenue from operations***

Our revenue from operations increased by ₹ 2,511.62 million, or 12.02%, to ₹ 23,405.08 million in Fiscal 2016 from ₹ 20,893.46 million in Fiscal 2015 primarily on account of higher sales volume in our Chennai Unit. Even though our Chennai Unit commenced commercial production in Fiscal 2015, there was a significant increase in sales volume in Fiscal 2016 as the manufacturing facility ramped up its production on account of an increase in demand. This was partially offset by a decrease in our sale of services to ₹ 9.93 million in Fiscal 2016 from ₹ 24.28 million in Fiscal 2015 on account of reduction of job works executed, and a decrease in export incentive to ₹ 0.77 million from ₹ 11.81 million, during the same period.

#### ***Other income***

Our other income decreased by ₹ 6.32 million, or 12.93%, to ₹ 42.55 million in Fiscal 2016 from ₹ 48.87 million in Fiscal 2015, primarily due to decrease in gain from fluctuation in foreign exchange and interest from customers, which was offset by increase in corporate guarantee commission from our joint venture partners and subsidy from commercial tax department (Government of Rajasthan).

#### ***Expenses***

Our total expenses increased by ₹ 2,462.27 million, or 11.73% to ₹ 23,458.02 million in Fiscal 2016 from ₹ 20,995.75 million in Fiscal 2015 on account of an increase in sales volume.

#### ***Cost of raw materials consumed***

Cost of raw materials consumed, including purchase of traded goods and change in inventories of finished goods and work in progress, increased by ₹ 2,357.90 million, or 13.78% to ₹ 19,470.25 million in Fiscal 2016 from ₹ 17,112.35 million in Fiscal 2015. This increase was on account of a significant rise in production in our Chennai Unit.

As a percentage of our total revenue (net of excise duty on sale of goods), cost of raw materials consumed including traded goods and change in inventories of finished goods and work in progress increased to 91.09% in



Fiscal 2016, from 89.55% in Fiscal 2015, primarily on account of setting up of our new manufacturing facilities at Chennai and Bawal under our Subsidiaries, CMRT and CMRN, respectively, and at Manesar. These facilities took time to stabilise and therefore, we incurred higher raw material costs on account of inefficiency in production and high melt losses.

#### *Excise duty on sale of goods*

The excise duty on the sale of goods increased by ₹ 238.57 million, or 13.01% to ₹ 2,071.94 million in Fiscal 2016 from ₹ 1,833.37 million in Fiscal 2015. This was in line with the increase in our sales.

#### *Employee benefits expense*

Our employee benefits expense marginally increased by ₹ 13.57 million, or 2.89%, to ₹ 482.47 million in Fiscal 2016 from ₹ 468.90 million in Fiscal 2015, primarily due to an increase in the salary, wages and bonus paid, staff welfare expenses and gratuity expense.

#### *Depreciation and amortization expenses*

Our depreciation and amortization expenses increased by ₹ 21.53 million, or 14.91%, to ₹ 165.91 million in Fiscal 2016 from ₹ 144.38 million in Fiscal 2015, due to impact of significant capitalization at our Chennai Unit towards the end of Fiscal 2015.

#### *Finance costs*

Our finance costs increased by ₹ 30.65 million, or 6.86%, to ₹ 477.70 million in Fiscal 2016 from ₹ 447.05 million in Fiscal 2015, primarily due to higher utilization of working capital limits because of increased sale and losses suffered on account of fluctuation in forex rates. This was partially offset by a decrease in the overall interest cost on account of infusion of capital of ₹ 78.00 million by Nikkei in CMRN, a reduction of overall interest rates due to stable financial conditions and better credit ratings, and a reduction in principal amounts of our term loan facilities due to regular repayments made by our Company.

#### *Other expenses*

Our other expenses decreased by ₹ 199.95 million, or 20.20%, to ₹ 789.75 million in Fiscal 2016 from ₹ 989.70 million in Fiscal 2015, primarily due to a decrease in power and fuel expenses on account of a significant decrease in furnace oil prices. This was set-off by a marginal increase, mainly in (i) expense towards repair and maintenance of plants and equipment; (ii) freight and forwarding expenses; and (iii) rent.

#### ***Profit/(loss) before tax***

On account of factors mentioned hereinabove, our losses before tax reduced drastically by ₹ 43.00 million, or 80.66%, to ₹ 10.31 million in Fiscal 2016 from ₹ (53.31) million in Fiscal 2015.

#### ***Tax expense***

Our tax expenses increased by ₹ 12.70 million, or 48.83%, to ₹ (13.31) million in Fiscal 2016 from ₹ (26.01) million in Fiscal 2015, primarily due to a significant increase in current tax expense during this period.

#### ***Restated profit for the period***

Our profits in Fiscal 2016 was low and we even incurred losses in Fiscal 2015. This was primarily on account of extremely competitive prices in the market which, we believe, was a reaction from the market on account of our expansions in Fiscals 2015 and 2016 and also in the previous years. Simultaneously, we were facing certain challenges in stabilizing our new manufacturing facilities, especially our manufacturing facility at Chennai, which region was a new market for us, and establishing our presence in the region without any prior commitment from customers proved to be a challenge for us.

On account of factors mentioned hereinabove, our restated profit/(loss) increased by ₹ 30.30 million, to ₹ 3.00 million in Fiscal 2016 from ₹ (27.30) million in Fiscal 2015.

#### **Liquidity and Capital Resources**

Historically, we have maintained liquidity for our business operations primarily from the cash generated from operations, bank borrowings and issuance of shareholder equity. As of December 31, 2017, we had cash and bank balances and unutilized sanctioned fund based limits available for use in our operations of ₹ 822.25 million. Based on our current level of expenditures, we believe that our current working capital, together with cash flows from operating activities and the proceeds from the offer contemplated herein, will be adequate to meet our anticipated cash requirements for capital expenditure and working capital for the next 12 months.

## Cash flows

(₹ in million)				
Particulars	Nine month period ended December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash flow from/(used in) operating activities	(391.44)	611.29	1,254.71	95.24
Net cash used in investing activities	(67.03)	(47.48)	(107.41)	(398.27)
Net cash generated from / (used in) financing activities	330.42	(639.04)	(964.66)	349.47
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(128.05)</b>	<b>(75.23)</b>	<b>182.65</b>	<b>46.44</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>	<b>7.21</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>34.05</b>	<b>162.10</b>	<b>237.33</b>	<b>54.68</b>

### Cash flow from Operating Activities

Net cash used in operating activities was ₹ 391.44 million in the nine month period ended December 31, 2017, and our operating profits before working capital changes for that period was ₹ 1,296.68 million. This difference was primarily attributable to ₹ 963.00 million increase in inventories, ₹ 302.51 million increase in trade receivables, ₹ 464.01 million increase in other assets, ₹ 108.17 million increase in other financial assets and ₹ 166.74 million of direct taxes paid (net of refunds). This was partially set off with ₹ 366.44 million increase in trade payables.

Net cash flow from operating activities was ₹ 611.29 million in Fiscal 2017, and our operating profit before working capital changes for that period was ₹ 1,474.94 million. The difference was primarily attributable to ₹ 386.54 million increase in other assets, ₹ 274.65 million decrease in trade payables, ₹ 130.28 million increase in trade receivables and ₹ 181.22 million of direct taxes paid (net of refunds). This was partially set off with ₹ 92.72 million on account of decrease in inventories and ₹ 19.33 million on account of increase in other liabilities.

Net cash flow from operating activities was ₹ 1,254.71 million in Fiscal 2016, and our operating profit before working capital changes was ₹ 470.49 million. The difference was primarily on account of a decrease of ₹ 386.64 million in other assets, ₹ 227.34 million increase in trade payables, ₹ 89.05 million decrease in trade receivables and ₹ 74.05 million decrease in inventories. This was partially set off by ₹ 27.36 million towards direct tax (net of refunds) paid and a ₹ 25.57 million decrease in other liabilities.

Net cash flow from operating activities was ₹ 95.24 million in Fiscal 2015 and our operating profit before working capital changes was ₹ 459.54 million. The difference was primarily attributable to ₹ 566.75 million increase in inventories, ₹ 187.65 million increase in other assets and ₹ 44.79 million towards direct tax (net of refunds) paid. This was set off primarily by ₹ 331.34 million on account of increase in trade payables.

### Cash flow from Investing Activities

Net cash used in investing activities was ₹ 67.03 million in the nine month period ended December 31, 2017. This primarily reflected the payment of ₹ 95.62 million towards purchase of property, plant and equipment and intangible assets, which was partially set off by ₹ 49.17 million worth of investment in fixed deposits (having remaining maturity of more than three months).

Net cash used in investing activities was ₹ 47.48 million in Fiscal 2017. This primarily reflected the payment of ₹ 82.19 million towards purchase of property, plant and equipment and intangible assets and ₹ 15.47 million towards investment made on bank deposits (having remaining maturity of more than three months). This was primarily set off by proceeds from sale of property, plant and equipment amounting to ₹ 0.21 million, ₹ 22.07 million worth of proceeds from fixed deposits (having remaining maturity of more than three months) and ₹ 27.90 million from interest received.

Net cash used in investing activities was ₹ 107.41 million in Fiscal 2016. This primarily reflected ₹ 19.02 million of investment made of bank deposit (having remaining maturity of more than three months) and ₹ 148.29 million towards purchase of property, plant and equipment and intangible assets. This was set off partially by ₹ 31.07 million worth of proceeds from fixed deposits (having remaining maturity of more than three months), ₹ 27.37 million worth of interest received and ₹ 1.09 million received from sale of property, plant and equipment.

Net cash used in investing activities was ₹ 398.27 million in Fiscal 2015. This primarily reflected ₹ 405.28 million worth of purchase of property, plant and equipment and intangible assets and ₹ 23.48 million towards investment made in fixed deposits (having remaining maturity of more than three months). This was partially set off by ₹ 37.77 million on account of interest received and ₹ 6.78 million on account of proceeds from sale of property, plant and equipment.

### ***Cash flow from Financing Activities***

Net cash from financing activities was ₹ 330.42 million in the nine month period ended December 31, 2017. This is primarily due to ₹ 473.84 million worth of proceeds of short term borrowings, ₹ 214.29 million on account of proceeds from short term borrowings of more than three months and ₹ 197.54 million received from long term borrowings. This was partially set off by ₹ 301.01 million towards repayment of long term borrowings, ₹ 94.72 million towards repayment of short term borrowings of more than three months and ₹ 159.52 million towards interest paid.

Net cash used in financing activities was ₹ 639.04 million in Fiscal 2017. This primarily reflected ₹ 304.12 million of interest paid, ₹ 264.31 million towards repayment of short term borrowings and ₹ 188.52 million towards repayment of long term borrowings. This was partially set off by ₹ 93.91 million received on account of proceeds from long term borrowings and ₹ 22.79 million received from proceeds from security premium on issue of shares by subsidiary or minority shareholders.

Net cash used in financing activities was ₹ 964.65 million in Fiscal 2016. This primarily reflected ₹ 600.36 million towards repayment of short term borrowings, ₹ 347.68 million on account of interest paid and ₹ 194.61 million towards repayment of long term borrowings. This was partially set off by ₹ 100.00 million from proceeds from long term borrowings and ₹ 78.00 million received as proceeds from share application money, pending allotment.

Net cash from financing activities was ₹ 349.47 million in Fiscal 2015. This was primarily due to ₹ 694.53 million received on account of proceeds from short term borrowings and ₹ 168.17 million received as proceeds from long term borrowings. This was partially set off by ₹ 376.31 million paid as interest and ₹ 137.88 million being paid towards repayment of long term borrowings.

### **Historical and Planned Capital Expenditure**

For the nine month period ended December 31, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, our capital expenditures, was ₹ 95.62 million, ₹ 82.19 million, ₹ 148.29 million and ₹ 405.28 million, respectively, on a consolidated basis. As on the date of this Draft Red Herring Prospectus, our Company is in the process of setting up two manufacturing facilities through its Subsidiaries, CMRN and CMRT, in Gujarat and Chennai, respectively. The proposed manufacturing facility in Gujarat will supply its products to one of our major OEM customers and the proposed manufacturing facility in Chennai is being set up with a view to expand liquid metal supply in south India.

### **Indebtedness**

As of April 30, 2018, we had outstanding working capital facilities amounting to ₹ 1,089.54 million and outstanding term loan facilities amounting to ₹ 478.06 million. See “*Financial Indebtedness*” as on page 444.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business. Typically, we require, and may be unable to obtain, lender consents to incur additional secured debt, issue equity, change our capital structure, undertake any major expansion and for any change our management structure, whether or not there is any failure by us to comply with the other terms of such agreements.

### ***Trade receivables***

Trade receivables represent receivables from our customers. Our trade receivables increased to ₹ 1,918.65 million as of March 31, 2017 from ₹ 1,788.31 million as of March 31, 2016, corresponding to sales attributable to the growth in demand for our products during this period. Additionally, our trade receivables were ₹ 2,221.17 million as on the nine month period ended December 31, 2017.

### ***Trade payables***

Our trade payables decreased to ₹ 783.96 million as of March 31, 2017, from ₹ 1,058.62 million as of March 31, 2016, due to decrease in purchase of runner and riser. Additionally, our trade payables were ₹ 1,150.42 million as on the nine month period ended December 31, 2017.

### **Contractual Obligations and Commitments**

Our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to ₹ 28.30 million and ₹ 46.66 million as of March 31, 2017 and as of the nine month period ended December 31, 2017.

### **Contingent liabilities and off-balance sheet arrangements**

The following table sets forth certain information relating to our contingent liabilities, provided under Ind AS 37, as of the nine month period ended December 31, 2017:

<b>Particulars</b>	<b>As of December 31, 2017 (₹ in million)</b>
Under Customs Act, 1962	261.62
Demands raised under Central Excise Act, 1944	427.09
Demand raised under Sale Tax Act under appeal for various years	106.21
Demand raised under Income Tax Act, 1961	67.50
Other miscellaneous demands	0.46

For further information, see our “*Related Party Transactions*” on page 186.

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

### **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include rent payments, capital advances, repayment of advances given and remuneration paid to Directors. For details, see “*Related Party Transactions*” on page 186.

### **Quantitative and Qualitative Disclosures About Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange rate risk.

#### ***Interest rate risk***

Interest rates for borrowings have been fluctuating in India in recent periods. Our current debt facilities typically carry variable rates of interest. Increase in interest rates would increase interest expenses relating to our outstanding borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt, which in turn may adversely affect our results of operations. We do not have a policy to enter into hedging arrangements against interest rate fluctuations.

#### ***Commodity price and foreign currency exchange rate risk***

We import most of our raw materials and payments are carried out in foreign currencies. This exposes us to currency fluctuation risk. The prices of raw materials used by us are volatile and are subject to various factors

including fluctuation in commodity prices, global economic conditions and market speculation, among other factors. Given the nature of the international scrap industry, we do not enter into any long-term contracts with our suppliers and our purchase contracts are made on spot prices. Since scrap prices are not quoted on an exchange, tools for commodity hedging, such as hedging on industrial metals trading platforms, are not available to us. As a result, we, to the extent possible, structure our sale contracts with our customers such that our exposure to forex and commodities associated risks are minimized.

As a trade practice, the alloy prices are generally fixed on a monthly basis by one of our major OEM customers, which generally forms the basis for most of our customers. Various factors including movements in scrap prices and currency and average of scrap prices and forex rates of the preceding month are considered while fixing the alloy prices. Considering we make our payments to our raw materials suppliers approximately 30 days prior to the sale of our finished goods, this gives us a natural hedge against price and forex fluctuations to a large extent.

In addition, we hedge our foreign currency loans, in accordance with the requirement of the lender, to minimize our exposure to adverse currency movements.

### ***Inflation risk***

In recent year, India has experienced relatively high rates of inflation. While we believe that inflation has not had any material impact on our business and results of operations in light of the growth of our revenues, inflation generally impacts the overall economy and business environment and hence could affect us.

### **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

### **Significant economic changes that materially affect or are likely to affect income from continuing operations**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “-*Significant Factors Affecting our Results of Operations and Financial Condition*” and the uncertainties described in the section “*Risk Factors*” on page 417 and 17, respectively.

### **Known trends or uncertainties**

Other than as described in the section “*Risk Factors*” on page 17, to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **Future relationship between cost and income**

Other than as described in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 119 and 416 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **Publicly announced new products or business segments /material increases in revenue due to increased disbursements and introduction of new products**

As on the date of the Draft Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

### **Significant dependence on single or few customers**

Given the nature of our business operations, we do not believe our business is dependent on any single customer. We have over the years established long-term relationships with our customers leading to recurrent business engagements with them. However, reliance on a limited number of customers for our business may generally

involve several risks including, but are not limited to, reduction, delay or cancellation of orders from our significant customers; failure to negotiate favourable terms with our key customers; all of which would have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.

### **Seasonality of business**

Our business is not seasonal in nature.

### **Competitive conditions**

We operate in a competitive environment. Please refer to the sections “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 119, 99 and 17, respectively for further information on our industry and competition.

### **Change in accounting policies**

There have been no changes in our accounting policies in the last three Fiscals.

### **Significant developments after December 31, 2017 that may affect our future results of operations**

Except as set forth below and as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

- (i) The authorized share capital of our Company was increased from ₹ 90,000,000, comprising 7,000,000 equity shares of ₹ 10 each and 2,000,000 preference shares of ₹ 10 each to ₹ 450,000,000, comprising 430,000,000 equity shares of ₹ 10 each and 20,000,000 preference shares of ₹ 10 each.
- (ii) Our Company issued 18,370,125 Bonus Shares of ₹ 10 each, pursuant to a resolution of our Board dated May 14, 2018, in the ratio of three Equity Shares for every one Equity Share held. For details, see the section, “*Capital Structure*” on page 72.
- (iii) Conversion of 114,222 CCPS held by Global Scrap Processors Limited into 456,888 Equity Shares at a conversion ratio of four Equity Shares for every one CCPS held.
- (iv) Our Subsidiary CMRN issued 22,200,000 additional equity shares of ₹ 10 each, to our Company and 7,800,000 equity shares of ₹ 10 each, to Nikkei, pursuant to resolution of its board of directors dated April 5, 2018.
- (v) Our Subsidiary CMRT issued 30,000,000 additional equity shares of ₹ 10 each, to our Company pursuant to resolution of its board of directors dated March 31, 2018 to increase our stake in the company to 90.00% of its paid up equity share capital.
- (vi) Pursuant to a resolution of its shareholders dated March 26, 2018, 20,000,000 preference shares of ₹ 10 each, held by our Company in our Subsidiary CMRT, were converted into 20,000,000 equity shares of ₹ 10 each.
- (vii) Effective May 30, 2018, our Company divested 51.00% of the outstanding equity shares of Sanjivani.

## FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the resolution passed by the Shareholders of our Company on May 11, 2018, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹ 10,000 million over and above the aggregate of the paid-up share capital and free reserves of our Company and securities premium account.

Our Company and our Subsidiaries have availed loans in the ordinary course of their business for the purposes of meeting working capital requirements and for capital expenditure. Accordingly, our Company and our Subsidiaries have entered into several types of borrowing facilities of varying terms and tenures from lenders.

### Facilities availed by us

Set forth below is a brief summary of our aggregate borrowings (both fund based and non-fund based), on a consolidated basis, as on April 30, 2018:

Particulars of borrowing	Sanctioned amount (in ₹ million)	Amount outstanding as on April 30, 2018 (in ₹ million)
<b>Secured borrowings</b>		
<i>Fund-based facilities</i>		
• Term loans	882.91	478.06
• Working capital facilities	1,870.00	1,089.54
<i>Non-fund based facilities</i>		
• Bank guarantee/ Letter of credit/ Stand-by letter of credit	1,322.20	554.00
<b>Total</b>	4,075.11	2,121.60
<b>Unsecured borrowings</b>	2,600.53	1,102.86
<b>Total</b>	6,675.64	3,224.46

### Principal terms of the borrowings availed by our Company:

- Interest:** The interest levied on our working capital loans and terms loans varies from lender to lender and is usually a certain percentage of spread over and above the MCLR rate of the relevant lender, such as in case of working capital loan the interest rate ranges from 7.85 % per annum to 9.75 % per annum and in case of term loan it is 10.40 % per annum.
- Tenor:** The tenor of our working capital facilities typically range from 15 days to 12 months, and the tenor of our term loan is of 84 months.
- Security:** Under our financing arrangements for secured borrowings, we are typically required to create security by way of, amongst others, hypothecation of the current assets and moveable assets of our Company; mortgage of immoveable properties; fixed deposits, personal guarantees of some of our Promoters who are also our Directors. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.
- Re-payment:** The working capital facilities availed by our Company are repayable on demand. The repayment period for our equipment and other term loans is in stipulated monthly instalments.
- Pre-payment:** The loans availed by our Company typically have prepayment provisions which allows for pre-payment and rescheduling of the outstanding loan amount on receiving prior approval from such concerned lender, subject to such prepayment penalties as may be decided by the lender at the time of such prepayment, or as laid down in the facility document, as the case may be.
- Penalty:** The financing arrangements of our Company stipulate various events which could result in a levy of additional rate of interest ranging from 0.25 % to 20.00 %, as applicable. The events that could attract such additional interest or penalty under our financing arrangements include:

- delay in creation and perfection of security by our Company;
  - breach of any covenants of the financing agreements;
  - false, incorrect or misleading representations or warranties provided by our Company under the financing agreements;
  - amounts being drawn in excess of drawing power, as stipulated under the financing agreements;
  - non-utilization of minimum committed amounts under the facility agreements;
  - late re-payments or pre-payments (in case of enforcement of mandatory pre-payment);
  - failure to obtain credit risk rating within the stipulated time period; and
  - dishonour of cheques submitted for re-payment.
7. **Restrictive covenants:** Our financing arrangements entail various conditions and covenants restricting certain corporate actions and we are required to take the prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. For instance, certain actions prior to which our Company is required to obtain written consent of the lenders include:
- to raise loans or incur any indebtedness except as permitted by the lenders;
  - to enter into any compromise or arrangement or settlement with any of our secured creditors;
  - to effect any change in the capital structure of our Company;
  - to engage in or undertake any corporate restructuring, re-organisation and/ or re-capitalisation if any;
  - to undertake any new project, modernisation, diversification, which are material in nature, or substantial expansion of any of its projects;
  - to effect any change in management and control of our Company;
  - to effect any modification or amendment to the constitutional documents of our Company;
  - to sell, assign, transfer, exchange, lease, lend or otherwise dispose or grant any option with respect to or create or permit the creation of any encumbrance over the secured assets;
  - to declare dividend for any year, if any amounts remain unpaid on its due date, as stipulated under the financing arrangements;
  - to sell, transfer or assign any or all of their rights in, or title to, or interest under the financing arrangements;
  - to settle litigation for such amount which may cause a material adverse effect on our Company;
  - to induct or continue with a director/promoter who is on the board of a company that has been declared as a wilful defaulter as per the RBI guidelines;
  - to pay any consideration to the guarantors of the financing arrangement for the guarantees provided by them;
  - to grant loans to promoter/associates or other companies;
  - to withdraw any funds brought in by the promoters, directors and their associates.
  - to recognise or register any transfer of shares in our Company's capital made to or to be made by the promoters and their associates; and
  - to (i) acquire any ownership interest in any other entity or person; or (ii) enter into any profit sharing or royalty agreement, whereby our Company's income or profits may be shared with any other entity or person.
8. **Events of Default:** Our financing arrangements specify the occurrence of certain events as events of default, some of which are listed below. In case of the occurrence of an event of default, the lender shall have the right to, *inter alia*, cancel the outstanding facilities available for drawdown to the Company, declare all parts of the loan, together with accrued interest to be immediately due and payable and enforce their rights over the security, as the case may be-
- default in payment of principal sums, interests or any other monies with respect to the loan availed;
  - defaults in performance of covenants and conditions of the respective loan agreements;
  - misrepresentation of information by our Company during application for the loans;
  - inadequacy of insurance with respect to the assets forming part of the security of the loan;



- any creditor of our Company being entitled to declare any financial indebtedness of our Company or any of the Subsidiaries due and payable prior to its specified maturity as a result of an event of default;
- any legal proceedings or other procedure or step taken in relation to a composition or arrangement with any creditor of our Company or Subsidiaries;
- any expropriation, sequestration, distress or execution affecting any secured assets of our Company;
- failure to provide additional security in case of depreciation of the secured assets;
- inability or lack of willingness of the lenders to continue a facility;
- certification by an accountant/firm of accountants appointed by the lenders that the liabilities of our Company exceed our Company's assets or that our Company is carrying on its business at a loss;
- failure to pay any tax, imposts, duties, levies, other taxes and impositions in relation to the secured assets, as applicable;
- utilisation of the proceeds from the financing arrangements for a purpose other than for which it was availed;
- seizure, nationalisation, expropriation or compulsory acquisition by the authority or GoI of all or substantially all of the undertaking, assets or properties of our Company or its interest therein;
- initiation of legal proceedings for winding up, insolvency, dissolution or reconstitution of our Company;
- failure of our Company to get the facilities provided by the lenders, rated by a credit rating agency at such intervals as stipulated under the facility agreements, or if there is deterioration in such credit rating of our Company; and
- accusation, charge, arrest or conviction of our Promoters and/or Directors in a criminal offence involving moral turpitude, dishonesty, bribery or which otherwise impinges on the integrity of such Promoter and/or Director.

The lists of restrictive covenants and events of default mentioned above are indicative and there are additional terms that may amount to an event of default under the various financing arrangements entered into by us.

## **SECTION VI: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section there are no outstanding: (i) criminal proceedings; (ii) actions by statutory / regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Policy (as defined hereinafter below), each involving our Company, Subsidiaries, Directors, Promoters or Group Companies.*

*Our Board, in its meeting held on May 14, 2018, adopted a policy on the identification of material litigation and material creditors ("**Materiality Policy**") for the purposes of disclosure in this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations. As per the Materiality Policy, other than the outstanding criminal proceedings, action by statutory / regulatory authorities and direct and indirect taxation matters as mentioned hereinabove, all outstanding litigation involving our Company, Subsidiaries, Directors, Promoters or Group Companies -*

- a) where the amount involved, to the extent quantifiable, is more than one percent of the profit after tax of our Company as per the last full year restated unconsolidated financial statements of our Company i.e. Fiscal 2017, i.e. ₹ 6.24 million or ₹ 10.00 million, whichever is lower; or*
- b) whose outcome could have a material impact on the business, operations, prospects or reputation of our Company or the Subsidiaries;*

*shall be considered as 'material litigation' for our Company, and accordingly have been disclosed in this Draft Red Herring Prospectus.*

*It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Subsidiaries, Directors, Promoters or our Group Companies shall, unless otherwise decided by our Board, not be evaluated for materiality until such time that our Company, our Subsidiaries, our Directors or any of our Promoters or our Group Companies as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

*Further, except as stated in this section, there are no: (i) litigation or legal actions pending against our Promoters by any ministry or Government department or statutory authority; (ii) pending litigation involving our Company, Subsidiaries, Directors, Promoters or Group Companies which may have a material adverse effect on the position of our Company; (iii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy, in accordance with the SEBI ICDR Regulations; (iv) overdues or defaults to banks or financial institutions by our Company; and (v) outstanding dues to small scale undertakings.*

*As per the Materiality Policy, such entities to whom the trade payables due exceeds five percent of the trade payables of the Company as per the latest restated consolidated financial statements included in the Draft Red Herring Prospectus i.e. as on December 31, 2017 i.e. ₹ 57.52 million, shall be considered as 'material creditors' of the Company.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

*All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### **MATTERS INVOLVING OUR COMPANY**

##### **I. Litigation against our Company**

###### ***Criminal Proceedings***

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed against our Company:

1. The Commissioner of Central Excise, Faridabad - II, ("**CE**") issued a show cause notice dated March 17, 2010 ("**SCN**") to our Company alleging, *inter alia*, that our Company had availed CENVAT Credit, under the Cenvat Credit Rules, 2004, for an aggregate amount of ₹ 158.58 million on purchase of aluminium scraps which were utilised in clandestine manner and without proper accounting. Additionally, our

Company was directed to pay an amount of ₹ 41.76 million on account of duty short paid on clearance of aluminium dross in the guise of ash and residue. The CE passed an order dated October 27, 2011, (“**Order**”) requiring our Company to return the CENVAT credit amount with additional penalty and interest thereon, and imposed penalties against Mohan Agarwal, Jitendra Kumar Khatri, Virendra Rajpal and Tulsi Ram Yadav as per Rule 26 of the Central Excise Rules, 2002. Our Company, Mohan Agarwal, Tulsi Ram Yadav, Virendra Kumar Rajpal and Jitendra Kumar Khatri (collectively the “**Appellants**”) filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Principal Bench, New Delhi (“**CESTAT**”) challenging the Order. The CESTAT pursuant to its order dated December 4, 2015 set aside the Order upon finding that the CE had not adduced any evidence to substantiate its allegations. The CE thereafter filed a criminal complaint dated February 26, 2016 (the “**Complaint**”) before the Chief Judicial Magistrate, Faridabad (“**CJM**”) reiterating the allegations made in its SCN and requested that the Appellants be deemed guilty of violation of the provisions of the Central Excise Act, 1944 and the Cenvat Credit Rules, 2004. Our Company filed an application before the CJM for dismissal of the Complaint in light of the order passed by CESTAT setting aside the Order. Our Company has additionally filed a criminal petition bearing number 29972/2017 (“**Petition**”) before the Punjab and Haryana High Court (“**High Court**”) and has demanded that the Complaint be quashed on the ground that CESTAT, which is the final fact finding authority, has already passed an order ruling that the CE has not substantiated its allegations with any evidence. Our Company has filed an interim application dated May 19, 2018, before the High Court requesting the preponement of its Petition and stay of the proceedings before CJM. The matter is currently pending before the CJM and the High Court.

### ***Civil Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no matters currently pending against our Company, which involve a pecuniary repercussion of ₹ 6.24 million or more, nor are there any outstanding litigation against our Company wherein the monetary liability is not quantifiable and whose outcome would have a bearing on the operations or performance of our Company.

### ***Tax proceedings***

#### ***Direct Tax***

Except as disclosed below, there are no direct tax proceedings against our Company as on the date of this Draft Red Herring Prospectus.

<b>S. No.</b>	<b>Type of Direct Tax</b>	<b>No. of Cases</b>	<b>Amount in dispute/ demanded (₹ in million)</b>
1.	Income Tax	1	62.60
<b>Total</b>		<b>1</b>	<b>62.60</b>

#### ***Indirect Tax***

Except as disclosed below, there are no indirect tax proceedings against our Company as on the date of this Draft Red Herring Prospectus.

<b>S. No.</b>	<b>Type of Indirect Tax</b>	<b>No. of Cases</b>	<b>Amount in dispute/ demanded (₹ in million)</b>
1.	Excise and customs duty	21	492.30
2.	Sales tax and VAT	5	18.44
<b>Total</b>		<b>26</b>	<b>510.74</b>

### ***Pending action by statutory or regulatory authorities against our Company***

As on the date of this Draft Red Herring Prospectus, there is no pending action by any statutory or regulatory authority against our Company.

## **II. Litigation filed by our Company**

### ***Criminal Proceedings***

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed by our Company.

1. Our Company filed a criminal complaint dated November 1, 2013 before the Chief Metropolitan Magistrate, Saket, New Delhi against B & R Brass Collections Private Limited (the “**Accused Company**”) and its directors under Section 138, Section 141 and Section 142 of the Negotiable Instruments Act, 1881, claiming dishonour of five cheques for amounts aggregating to ₹ 1.55 million, issued by the Accused Company for supply of zinc alloy ingots by our Company. The matter is currently pending.
2. Our Company lodged a first information report dated October 28, 2016 before the police station, Sector 31, Faridabad, Haryana against Pinku Kumar, a former employee of our Company, and various transportation service providers (the “**Service Providers**”) alleging criminal conspiracy, criminal breach of trust and cheating under the provisions of Section 408, 420 and 120 B of the Indian Penal Code, 1860 on account of the fact that the Service Providers had raised several fraudulent bills upon our Company in connivance with Pinku Kumar, who endorsed and approved the bills for release of payments for extraneous gains, thereby defrauding our Company of a sum of approximately ₹ 6.00 million. Investigation in this matter is currently ongoing.
3. Our Company lodged a first information report dated May 6, 2017 (“**FIR**”) before the police station, Sadar, Palwal, Haryana against Parminder Kaushik, Puneet Kaushik and Bopon (“**Accused**”) of M/s Interstate Transolution Private Limited. Our Company alleged in the FIR that the Accused had conspired and fraudulently removed 410 kilograms of consignment of zinc dross scrap being transported by M/s Interstate Transolution Private Limited from Bawal to Tatarpur. The Company further alleged that a loss of ₹ 0.08 million was caused due to the act of theft, misappropriation, criminal conspiracy and forgery of documents by the Accused persons and prayed that investigation be conducted and Accused be charged under the provisions of Section 120 B read with Section 34 and Section 411 of the Indian Penal Code, 1860. Mr. Bopon was arrested on May 15, 2017 and he admitted to the charges levelled against him. Upon conclusion of investigation and information provided by Bopon, the police concluded that one Jeet Ram, who was employed as security guard in the Company, had connived with the Accused and caused misappropriation of zinc dross scrap. Jeet Ram was arrested on May 17, 2017. Jeet Ram had filed for a bail application dated June 2, 2017 before Sessions Judge, Palwal. The Sessions Judge Palwal by order dated June 6, 2017, has allowed bail to him and trial in the case is currently pending.
4. Our Company, through its Chief Security Officer, Rajeev Sinha, filed a FIR dated July 17, 2017 (“**FIR**”) before the police chowki, Gadpuri, District Palwal, Haryana. The Company in the FIR has alleged that one Anil Singh, who was driving the container-truck hired from Ekam Transport, carrying aluminium scrap from ICD Palwal, mis-directed the container-truck and that certain persons, namely, Kartar, Lala, Channo, Mahesh and Umesh (collectively “**Accused**”) have committed theft of such aluminium scrap in connivance with Anil Singh. The Company has in the FIR requested investigation against Ekam Transport and the Accused. Police investigation in the matter is currently ongoing.

### ***Civil Proceedings***

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no matters initiated by our Company, which involve a pecuniary repercussion of ₹ 6.24 million or more, nor are there any outstanding litigation initiated by our Company wherein the monetary liability is not quantifiable and whose outcome would have a bearing on the operations or performance of our Company.

1. Our Company initiated arbitration proceedings against Alkraft Engineering (“**Akraft**”) and its partners (collectively the “**Respondents**”) for the recovery of a sum of ₹ 19.30 million, along with interest thereon, against aluminium ingots supplied by us to Alkraft on the basis of specifications made by it from time to time. Alkraft subsequently admitted and undertook to repay the sum in terms of a settlement agreement dated February 4, 2015 (the “**Settlement Agreement**”). As per the Settlement Agreement and upon a request made by our Company on April 13, 2015, the sole arbitrator, Sunil Gulati (“**Sole Arbitrator**”), was nominated to preside over the proceedings by the Faridabad Industries Association. The Sole Arbitrator, pursuant to an award dated October 29, 2015 (the “**Award**”), *inter alia* directed the Respondents to pay a sum of ₹ 19.30 million along with applicable interest and further directed to pay the cost of arbitration. Thereafter, our Company filed a petition before the High Court of Delhi for enforcement of the Award. However, the High Court of Delhi dismissed our petition as not being maintainable, as none of the properties of the Respondents were in its jurisdiction but granted leave to our Company to move the appropriate court for enforcement of the Award. Accordingly, our Company filed a petition before the District Judge, Haridwar *inter alia* for attachment of the property and amounts in the bank account of

Alkraft and the arrest of its partners, upon failure of Alkraft to pay the amount claimed, until satisfaction of amount owed to us. The matter is currently pending.

### III. Details of dues to creditors and small scale undertakings

As of December 31, 2017, we had 823 creditors. The aggregate amount outstanding to such creditors as on December 31, 2017 was ₹ 1,150.42 million. For further details, see [www.cmr.co.in](http://www.cmr.co.in). It is clarified that other than details pertaining to net outstanding dues towards our creditors, no information available on our website form a part of this Draft Red Herring Prospectus.

As per the materiality policy approved by our Board pursuant to their resolution dated May 14, 2018, creditors to whom an amount exceeding 5% of our trade payables, as per the Restated Consolidated Financial Statements for the period ended December 31, 2017, is owed shall be considered 'material'. Accordingly, the creditors to whom an amount exceeding ₹ 57.52 million was owed as on December 31, 2017, are considered 'material' creditors. Based on the above, there is one material creditor of the Company as on December 31, 2017, to whom an amount of ₹ 388.09 million was outstanding on such date.

In relation to outstanding dues to any party which is a small scale undertaking ("SSI") or a Micro Small and Medium Enterprises ("MSME"), as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, our Board has approved that the disclosure will be based on information available with our Company regarding status of the creditors as SSIs/MSMEs. Based on the information available with our Company, there is one SSIs/MSMEs to whom an amount of ₹ 1.23 million was outstanding on such date.

### IV. Material Developments

Except as stated in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 416, there have not arisen, since the date of the last Restated 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.

## MATTERS INVOLVING OUR SUBSIDIARIES

### I. Litigation against our Subsidiaries

#### **CMRT**

##### ***Criminal Proceedings***

1. The Deputy Assistant Director, Industrial Safety and Health, Kanchipuram District (the "**Industrial Authority**"), issued a show cause notice dated November 9, 2016 ("**SCN**") to the factory manager of CMRT and occupier, Mohan Agarwal (together, the "**Defendants**") requiring them to show cause as to why action should not be taken on account of violation of provisions of the Tamil Nadu Factories Rules, 1950, *inter alia* including failure to provide and maintain rest room, first aid, air ventilator and dust and fume collector in the factory premises of CMRT and lapses in medical examination of the workmen. The Defendants pursuant to their reply dated December 30, 2016 submitted, *inter alia* details of the corrective measures already taken and a specific action plan to curb the discrepancies as stated in the SCN. The Chief Judicial Magistrate, Chengalpattu issued summon dated August 11, 2017, against the Defendants alleging that they had, violated the provisions of the Factories Act, 1948 and the Tamil Nadu Industrial Disputes Rule, 1958. The matter is currently pending.

##### ***Civil Proceedings***

1. The management of CMRT (the "**Management**") on February 22, 2016 had issued a show cause notice to Mr. Ramesh, a past employee at CMRT ("**Petitioner**") requiring explanation on why disciplinary action be not taken against the Petitioner who was found sleeping during his security shift on February 20, 2016. The Management thereafter, on conducting enquiry had issued termination order dated March 18, 2016. The Petitioner filed a petition dated September 26, 2016 before the Additional Labour Court, Chennai ("**Labour Court**") alleging that the Management had wrongfully terminated his employment and

accordingly violated the provisions of the Industrial Deputes Act, 1947. The Petitioner has challenged the enquiry conducted by the Management on March 3, 2016 alleging that the Management had failed to give him sufficient time for conducting cross examination of witnesses and had passed termination order without the application of principles of natural justice during enquiry proceedings. The Labour Court, pursuant to its order dated July 1, 2017 concluded that the Management had not conducted an unbiased enquiry. The Management filed a writ petition dated July 24, 2017 before the High Court of Madras challenging the above-mentioned order and thereafter an interim stay on the proceedings of industrial dispute before the Labour Court was granted by the High Court of Madras pursuant to order dated July 27, 2017. The matter is currently pending.

2. Some of CMRT's past workmen (the "**Petitioners**") filed several petitions, dated January 10, 2017 before the Assistant Commissioner of Labour, Sriperumbudur ("**ACL**") alleging that CMRT failed to recognise the labour union formed by the Petitioners and other workmen (the "**Union**") thereby violating the provisions of the Industrial Disputes Act, 1947. The Petitioners further alleged that CMRT denied them employment after the Petitioners returned to work after the Union went on a strike to oppose the arbitrary transfer and removal of some of the Union members. The Petitioners demanded reinstatement of employment and wages for the period the Union went on strike. CMRT submitted a reply dated January 28, 2017 denying that employment was refused to the Petitioners. The ACL submitted a failure report on conciliation to the Government of Tamil Nadu and the matter is currently pending before the Labour Court, Chennai.
3. Some of the past workmen of CMRT (the "**Petitioners**"), who had formed a trade union affiliated to Chengai Anna District Democratic Labours Union filed a petition dated March 11, 2016 before the Assistant Commissioner of Labour, Sriperumbudur ("**ACL**") alleging that the management of CMRT had violated the provisions of the Industrial Dispute Act, 1947 read along with the Tamil Nadu Industrial Disputes Rules, 1958 by not recognising the trade union formed by the Petitioners and thereby refusing to hold conciliation meeting with the Petitioners in line with the general demand letter dated February 26, 2016, presented by the Petitioners. The Petitioners further filed a petition dated May 17, 2016 with the ACL alleging that the management of CMRT had wrongfully transferred the Petitioners as a revengeful act against the activities of the trade union. The management of CMRT submitted a reply dated August 9, 2016 denying allegations of the Petitioners and submitted that the Petitioners' transfers were as per their terms of employment. The management of CMRT further clarified that wages were increased retrospectively and that the trade union had accepted such raise. The ACL submitted a failure report on the conciliation to the Government of Tamil Nadu and the dispute is currently pending before the Principal Labour Court, Chennai.
4. Some of the contract labourers (the "**Petitioners**") filed a petition dated February 21, 2017 before the Assistant Commissioner of Labour, Conciliation, SIPCOT Planning Office Enclave, Irungattukottai ("**ACL**") alleging that CMRT and M/s. Mandater Facility Services (the "**Contractor**"), and together with CMRT, the "**Respondents**") had unlawfully terminated the Petitioners' employment who were working with CMRT as contract labourers through the Contractor, thereby violating the provisions of the Industrial Disputes Act, 1947, and demanded reinstatement to employment with CMRT. CMRT in their submission dated May 30, 2017 stated that it was not responsible for reinstatement since the Contractor was the principal employer as per the provisions of the Industrial Dispute Act, 1947. Additionally, the Contractor in its reply dated April 4, 2017 has confirmed that the Petitioners were employed by them, and that while CMRT did not require additional workmen, the Petitioners could be employed at other establishments. The ACL submitted a failure report on the conciliation proceedings to the Government of Tamil Nadu and the matter is currently pending before the Labour Court, Chennai.

### ***Tax proceedings***

Except as disclosed below, there are no direct or indirect tax proceedings against CMRT as on the date of this Draft Red Herring Prospectus.

### ***Indirect Tax***

<b>S. No.</b>	<b>Type of Indirect Tax</b>	<b>No. of Cases</b>	<b>Amount in dispute/ demanded (₹ in million)</b>
1.	Excise and customs duty	1	6.30
2.	Sales tax and VAT	3	77.72
<b>Total</b>		<b>4</b>	<b>84.02</b>

## **CMRN**

### *Direct Tax*

Except as disclosed below, there are no direct tax proceedings against CMRN as on the date of this Draft Red Herring Prospectus.

S. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in million)
1.	Income Tax	1	0.78
<b>Total</b>		<b>1</b>	<b>0.78</b>

### *Indirect Tax*

Except as disclosed below, there are no indirect tax proceedings against CMRN as on the date of this Draft Red Herring Prospectus.

S. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in million)
1.	Excise and customs duty	2	8.90
<b>Total</b>		<b>2</b>	<b>8.90</b>

### *Pending action by statutory or regulatory authorities against any of our Subsidiaries*

There is no pending action by any statutory or regulatory authority against any of our Subsidiaries, on the date of this Draft Red Herring Prospectus.

## **II. Litigation filed by our Subsidiaries**

### **CMRN**

#### *Criminal Proceedings*

1. CMRN, through its Assistant General Manager, Corporate Mr. Shiv Mahesh Panday filed a FIR dated July 11, 2015 with the Police Station, Kasola, District Rewari, Haryana, and the police upon investigation filed a Final Report Form dated Septemeb 30, 2015 before the Judicial Magistrate First Class, Rewari against M/s Ganpati Metal, Gurugram and M/s Bahubali Traders, Gurugram (collectively the “**Respondents**”) alleging that the Respondents had defrauded CMRN by misplacing and stealing goods that were transported by the Respondents. CMRN has alleged that by conspiring with the truck drivers, Respondents changed number plates of the trucks by which the said goods were being transported, and thereby have caused a loss of ₹ 14.00 million to CMRN. The Judicial Magistrate First Class, Rewari by order dated November 30, 2016 charge-sheeted against Mr. Abdul and Mr. Sahabudeen from the Respondents, for criminal conspiracy, theft and criminal breach of trust. The matter is currently pending before the Judicial Magistrate First Class, Rewari.
2. CMRN, through its Assistant General Manager, Corporate Mr. Shiv Mahesh Panday (“**Complainant**”) had filed a FIR dated December 9, 2014 at the Police Station, Kasola, District Rewari, Haryana and the police upon investigation filed a Final Report Form dated February 7, 2015 before the Judicial Magistrate, First Class, Rewari, against Mr. Ramesh Kumar, Mr. Rajbir Singh and Mr. Pardeep (collectively “**Accused**”). The Complainant had alleged that one Mr. Ramesh Kumar, who was working as driver for CMRN, had in a clandestine manner kept ‘4 Katta Copper’ weighing 100 kg in a vehicle and that he intended to steal such ‘4 Katta Copper’. The police upon investigation charge-sheeted against the Accused under section 381 of the Indian Penal Code, 1860 for theft. The Accused were arrested on December 11, 2014. The matter is currently pending at the trial stage before the Judicial Magistrate, Rewari.

#### *Civil Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no civil proceedings filed by any of our Subsidiaries.

## **MATTERS INVOLVING OUR DIRECTORS**

## **I. Litigation filed against our Directors**

### ***Criminal Proceedings***

#### ***Mohan Agarwal***

Except as disclosed above in “*Matter involving our Company - Litigation against our Company – Criminal Proceedings*” on page 447 and “*Matters involving our Subsidiaries – Litigation against our Subsidiaries – Criminal Proceedings*” on page 450, there are no criminal proceedings against any of our Directors as on the date of this Draft Red Herring Prospectus.

### ***Civil Proceedings***

There are no civil proceedings against any of our Directors as on the date of this Draft Red Herring Prospectus

### ***Tax proceedings***

#### ***Direct Tax***

There are no direct tax proceedings against any of our Directors as on the date of this Draft Red Herring Prospectus.

#### ***Indirect Tax***

Except as disclosed below, there are no indirect tax proceedings against any of our Directors as on the date of this Draft Red Herring Prospectus.

S. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in million)
<b><i>Proceedings against Mohan Agarwal</i></b>			
1.	Excise and customs duty	1	0.5
<b>Total</b>		<b>1</b>	<b>0.5</b>

### ***Pending action by statutory or regulatory authorities against any of our Directors***

Except as disclosed in relation to Gauri Shankar Agarwala in sub-section “*Matters Involving our Promoters- Pending action by statutory or regulatory authorities against any of our Promoters*” on page 454, there are no other pending action by statutory or regulatory authority against any of our Directors.

## **II. Litigation filed by our Directors**

### ***Criminal Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed by any of our Directors.

### ***Civil Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no civil proceedings filed by any of our Directors.

## **MATTERS INVOLVING OUR PROMOTERS**

## **I. Litigation filed against our Promoters**

### ***Criminal Proceedings***



### ***Mohan Agarwal***

Except as disclosed above in “*Matters involving our Company – Litigation against our Company – Criminal Proceedings*” on page 447 and “*Matters involving our Subsidiaries – Litigation against our Subsidiaries – Criminal Proceedings*” on page 450, there are no criminal proceedings against any of our Promoters as on the date of this Draft Red Herring Prospectus.

### ***Civil Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no civil proceedings filed against any of our Promoters.

### ***Tax proceedings***

#### ***Direct Tax***

There are no direct tax proceedings against any of our Promoters as on the date of this Draft Red Herring Prospectus.

#### ***Indirect Tax***

Except as disclosed below in “- *Matters involving our Directors – Litigation filed against our Directors - Tax Proceedings – Indirect Tax*” on page 453, there are no indirect tax proceedings against any of our Promoters as on the date of this Draft Red Herring Prospectus.

### ***Pending action by statutory or regulatory authorities against any of our Promoters***

1. The Enforcement Directorate, Chandigarh (“ED”) had issued an order dated February 3, 2017 to Sanjivani and had requisitioned certain information including *inter alia* name and address of its directors, details of outward/inward remittances made by Sanjivani in past six months, cash deposited in Sanjivani’s account and copies of correspondences made by exporter’s bank to importer bank. Sanjivani submitted a response on March 20, 2017 furnishing the aforementioned information. The ED consequently issued notice dated May 24, 2017 (“**Notice**”) to our Promoter Gauri Shankar Agarwala, who was then on the board of directors of Sanjivani, requiring further information in relation to exports made by Sanjivani during August 2016 till May 2017. Gauri Shankar Agarwala submitted a response on June 24, 2017 on behalf of Sanjivani stating that the required information was already submitted. The ED issued summon to Gauri Shankar Agarwala on December 8, 2017 requiring his presence in the proceedings under the Foreign Exchange Management Act, 1999. Gauri Shankar Agarwala submitted reply vide letters dated January 10, 2018 and January 23, 2018 and furnished details regarding advances paid to suppliers from whom Sanjivani imports and any other amount that is due against goods supplied by Sanjivani to the Company. The ED has issued a summon dated May 21, 2018 to Gauri Shankar Agarwala requiring his personal appearance to produce evidence and documents in relation to the proceedings under the Foreign Exchange and Management Act, 1999 and the Income Tax Act, 1961, on June 13, 2018.

## **II. Litigation filed by our Promoters**

### ***Criminal Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed by any of our Promoters.

### ***Civil Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no civil proceedings filed by any of our Promoters.

## **MATTERS INVOLVING OUR GROUP COMPANIES**

### **I. Litigation filed against our Group Companies**

### ***Criminal Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings filed against any of our Group Companies.

### ***Civil Proceedings***

#### ***Tsusho India***

1. The Commissioner of Provident Fund, Bengaluru (the “**PF Authority**”), issued demand notices to Tsusho India on account of non-deduction and deposit of the provident fund contribution with respect to the payment of remuneration to its expatriate workmen. Tsusho India filed a writ petition before the High Court of Karnataka at Bengaluru (“**High Court**”), challenging the aforementioned demand notices issued by the PF Authority, *inter alia*, on the ground that such demand notices were issued in violation of Article 14 of the Constitution of India and accordingly, were liable to be set aside. The High Court pursuant to its interim order stayed the demand of the PF Authority. The matter is currently pending.
2. Victor Sounder, a former employee of Tsusho India (the “**Petitioner**”), filed a complaint before the Labour Tribunal challenging the decision of the management of Tsusho India (the “**Management**”) to transfer the Petitioner to Manesar Unit. The Labour Tribunal, pursuant to an order dated September 29, 2016, declared such transfer as unjustified and directed Toyota Tsusho to cancel such transfer and reinstate the Petitioner back to employment. Tsusho India, thereafter, filed a writ petition before the High Court of Karnataka challenging the order dated September 29, 2016 of the Labour Tribunal. The matter is currently pending.
3. Ashok Kumar B.V, a former employee of Tsusho India (the “**Petitioner**”), filed a complaint before the Labour Tribunal challenging the decision of the management of Tsusho India for terminating his employment on account of misconduct. The Labour Tribunal, pursuant to an order dated November 9, 2017, directed the management to reinstate the Petitioner into regular employment and to make the payment of full wages for the period that were unpaid on account of such termination. Thereafter, Tsusho India filed a writ petition before the High Court of Karnataka challenging such order dated November 9, 2017 of the Labour Tribunal. The matter is currently pending.

### ***Tax proceedings***

#### ***Direct Tax***

S. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in million)
<b><i>Proceedings against Grand Metal Recycling Private Limited</i></b>			
1.	Income Tax	1	8.31
<b><i>Proceedings against Toyota Tsusho India Private Limited</i></b>			
1.	Income Tax	3	155.03
<b><i>Proceedings against Sanjivani Non Ferrous Trading Private Limited</i></b>			
1.	Income Tax	2	4.90
<b>Total</b>		<b>6</b>	<b>168.24</b>

#### ***Indirect Tax***

S. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/ demanded (₹ in million)
<b><i>Proceedings against Toyota Tsusho India Private Limited</i></b>			
1.	Excise and customs duty	1	28.77
<b><i>Proceedings against Sanjivani Non Ferrous Trading Private Limited</i></b>			
1.	Excise and customs duty	2	181.70
2.	Sales and VAT	7	9.88
<b>Total</b>		<b>10</b>	<b>220.35</b>

### ***Pending action by statutory or regulatory authorities against any of our Group Companies***

Except, as disclosed in sub-section “*Pending action by statutory or regulatory authorities against any of our Promoters*” at page 454, there is no pending action by any statutory or regulatory authority against any of our Group Companies, as on the date of this Draft Red Herring Prospectus.

## II. Litigation filed by our Group Companies

### *Criminal Proceedings*

#### *SFSL*

1. SFSL filed two criminal complaints, both dated March 2, 2015 against Unity Fin-Cap Private Limited before Acting Chief Metropolitan Magistrate, Patiala House Courts, New Delhi (“**Metropolitan Magistrate**”), under section 138 and section 142 of the Negotiable Instruments Act (“**NI Act**”) for the recovery of ₹ 15.40 million and interest thereon, in lieu of dishonor of six cheques issued by Unity Fin-Cap Private Limited. The Metropolitan Magistrate by way of its order dated November 18, 2015 transferred the matter to the Judicial Magistrate, First Class, Faridabad (“**Judicial Magistrate**”). Unity Fin-Cap Private Limited has simultaneously filed one petition under section 482 of the Code of Criminal Procedure, 1973 before the High Court of Delhi. This matter is currently pending before the Judicial Magistrate and the High Court.
2. SFSL filed a petition dated November 19, 2011 against Unity Fincap-Cap Private Limited (“**Unity**”) in the High Court of Delhi, for recovery of ₹ 24.26 million. We have not received any communication, in this regard, pursuant to filing of our petition.

### *Civil Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no civil proceedings filed by any of our Group Companies.

## GOVERNMENT AND OTHER APPROVALS

*Our Company is required to obtain necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies, including various authorities in the states of India, where we have our presence, and other statutory and/ or regulatory authorities for carrying out our present business activities or to undertake the Offer. Except as disclosed herein and in “Risk Factors” on page 17, we have obtained all material consents, licenses, permissions and approvals, from various governmental, statutory and regulatory authorities in India, which are necessary for undertaking this Issue and our current business activities. Certain of our material approvals may have lapsed or may lapse in their normal course and our Company has either already made an application to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.*

*For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 141.*

### **A. Approvals relating to the Offer**

For details, see “Other Regulatory and Statutory Disclosures” on page 459.

### **B. Approvals relating to our Company’s business and operations**

#### ***I. Corporate approvals***

1. Original certificate of incorporation dated July 25, 1994 issued by the RoC in the name of ‘Bhairav Leasing and Finance Private Limited’.
2. Fresh certificate of incorporation dated May 31, 2005 issued by the RoC upon change of our name from ‘Bhairav Leasing and Finance Private Limited’ to ‘Century Aluminium Industries Private Limited’.
3. Fresh certificate of incorporation dated April 23, 2006 issued by the RoC upon change of our name from ‘Century Aluminium Industries Private Limited’ to ‘Century Metal Recycling Private Limited’.
4. Fresh certificate of incorporation dated April 2, 2018 issued by the RoC upon change of our name to ‘Century Metal Recycling Limited’ on conversion to a public company.

#### ***II. Taxation related Approvals***

Our Company has obtained various tax related approvals, including a permanent account number and a tax deduction account number issued under the Income Tax Act, 1961; goods and services tax registrations issued under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and various state goods and services tax statutes; and registrations issued under certain state professional tax legislations, as applicable.

#### ***III. Business Approvals***

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. For information on our business operations, see “Our Business” on page 119. The approvals / licenses we require include:

- a) Environmental approvals, including consents to operate under the Air (Prevention and Control of Pollution) Act, 1981, consents to operate under the Water (Prevention and Control of Pollution) Act, 1974 and authorisations to handle hazardous waste under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
- b) Labour related approvals, including registration of contract labour employed at our manufacturing units under the Contract Labour (Regulation and Abolition) Act, 1970, and the registration of our employees and factories under the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

- c) Approvals in relation to operating our manufacturing units, including licenses to work our factories under the Factories Act, 1948, no-objection certificates under various state fire services laws and licenses to store petroleum and explosives under the Petroleum Act, 1934 and the Explosives Act, 1884.

These approvals and/or licenses may differ on the basis of the locations in which our facilities are set up as well as the jurisdictions where we market or sell our products.

We have obtained necessary consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we apply for their renewal from time to time. Our Company and our Subsidiaries undertake to obtain all material approvals, licenses and permissions required to operate our present business activities.

#### ***IV. Intellectual Property related approvals***

Our Company has obtained trademark registration under class 6 for its logo “CMR” under the Trade Marks Act, 1999 and rules thereunder.

#### **D. Pending Approvals**

##### ***I. Approvals and renewals applied for but not received***

We have made applications to the relevant central or state government authorities for grant of certain material approvals, licenses, registrations and permits that are required to be obtained by us for undertaking our business or are in the process of making such applications.

The consents, licenses, registrations, permissions and approvals for which applications have been made by our Company are:

<b>Nature of approval</b>	<b>Issuing authority</b>	<b>Date of acknowledgement of application / date of application</b>
Consent to operate under the Water (Prevention and Control of Pollution), Act 1974 (“ <b>Water Act</b> ”) and the Air (Prevention and Control of Pollution), Act 1981 (“ <b>Air Act</b> ”) for Bhiwadi Unit	Rajasthan State Pollution Control Board	June 12, 2017
Consent to operate under the Water Act and Air Act and authorisation under the Hazardous and other Waste (Management and Transboundary Movement) Rules, 2016 for Haridwar Unit	Uttarakhand Environment Protection and Pollution Control Board	March 15, 2018

##### ***II. Approvals and renewals required and not applied for***

There are no consents, licenses, registrations, permissions and approvals for which applications are yet to be made by the Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorised by a resolution of the Board passed at their meeting held on May 8, 2018 and the Shareholders have approved the Fresh Issue by a special resolution passed in accordance with section 62 of the Companies Act, 2013, at the extra ordinary general meeting held on May 11, 2018.

The Selling Shareholders are offering up to 6,402,650 Equity Shares as a part of the Offer for Sale. The Equity Shares being offered by the Selling Shareholders in the Offer are in compliance with Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. The Selling Shareholders have also confirmed with respect to the Equity Shares held by them that they are the respective legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

The Offer for Sale has been authorised by the Selling Shareholders as follows:

S. No.	Name of the Selling Shareholder	Number of Equity Shares offered	Date of the consent letter
1.	Global Scrap Processors Limited <sup>(1)</sup>	2,550,386	June 6, 2018
2.	Mohan Agarwal	788,955	June 4, 2018
3.	Gauri Shankar Agarwala	793,243	June 4, 2018
4.	Sanjivani <sup>(2)</sup>	527,484	May 25, 2018
5.	GMRPL <sup>(3)</sup>	573,520	May 25, 2018
6.	Pratibha Agarwal	534,921	June 4, 2018
7.	Kalawati Agarwal	397,441	June 4, 2018
8.	Gauri Shankar Agarwala HUF	236,632	June 4, 2018
9.	Mohan Agarwal HUF	68	June 4, 2018

<sup>(1)</sup> The Offer for Sale has been authorised by the board of directors of GSPL pursuant to their resolution dated June 5, 2018.

<sup>(2)</sup> The board of directors of Sanjivani has, pursuant to its resolution dated May 25, 2018 authorised the sale of 527,484 Equity Shares.

<sup>(3)</sup> The board of directors of GMRPL has, pursuant to its resolution dated May 25, 2018 authorised the sale of 573,520 Equity Shares.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

This Draft Red Herring Prospectus has been adopted by the Board in their meeting held on June 4, 2018.

Each of the Selling Shareholders have severally and on their own account confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by each of them are free from any lien, encumbrance, transfer restrictions or third party rights, other than such rights as set out under the Investment Agreement, details of which are set out in “History and Corporate Structure” on page 145.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Companies, and the Selling Shareholders have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

The companies, with which our Promoters, Directors are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business. There are no violations of securities laws committed by the Promoters, relatives of Promoters, Directors, Group Companies in the past or are currently pending against any of them.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoter or directors.

The listing of any securities of our Company or our Subsidiaries has never been refused at any time by any of the stock exchanges in India or abroad.

## Prohibition by the RBI

Neither our Company, nor our Promoter, relatives of our Promoters (as defined under the Companies Act, 2013), Directors, Group Companies, nor the Selling Shareholders have been categorized as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

## Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as set forth below:

- Our Company has net tangible assets of at least ₹ 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150.00 million, calculated on a restated unconsolidated and consolidated basis, during the three most profitable financial years out of the immediately preceding five financial years being financial years ended March 31, 2017, March 31, 2016 and March 31, 2015;
- Our Company has a net worth of at least ₹ 10 million on an unconsolidated and consolidated basis in each of the three preceding full financial years (of 12 months each) being financial years ended March 31, 2017, March 31, 2016 and March 31, 2015;
- The aggregate of the proposed Offer and all previous issues in the same financial year in terms of the Offer size does not exceed five times the pre - Offer net worth of our Company as per the audited balance sheet of our Company of the preceding financial year; and
- Our Company was converted to public company on April 2, 2018 and consequently the name was changed to Century Metal Recycling Limited pursuant to resolution passed by the Shareholders dated March 19, 2018. For details of changes in the name and registered office of the Company, see “History and Corporate Structure” on page 145. Subsequent to the change in name of our Company, there have been no variation in the activities being undertaken by our Company.

Our Company’s pre-tax operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of net tangible assets are derived from the restated unconsolidated financial statements as well as restated consolidated financial statements as at, and for the fiscal years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, as set forth below:

### As per Restated Unconsolidated Financial Statements

(In ₹ million, unless otherwise specified)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Pre-Tax Operating Profit <sup>(1)</sup>	1,066.98	337.15	318.42	290.84	569.58
Net Worth <sup>(2)</sup>	2,742.88	2,119.95	2,048.48	2,000.81	1,358.83
Net Tangible Assets <sup>(3)</sup>	2,721.95	2,097.11	2,027.06	1,984.05	1,355.43
Monetary Assets <sup>(4)</sup>	227.52	249.46	127.91	84.66	57.96
Monetary assets as a percentage of the net tangible assets	8.36%	11.90%	6.31%	4.27%	4.28%

### As per Restated Consolidated Financial Statements

(In ₹ million, unless otherwise specified)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Pre-Tax Operating Profit <sup>(1)</sup>	1,341.94	437.63	349.60	279.17	566.64
Net Worth <sup>(2)</sup>	2,940.95	2,206.61	2,121.09	2,147.08	1,498.22
Net Tangible Assets <sup>(3)</sup>	2,910.09	2,174.19	2,098.85	2,129.52	1,494.73
Monetary Assets <sup>(4)</sup>	243.72	327.38	166.70	90.06	60.13
Monetary assets as a percentage of the net tangible assets	8.38%	15.06%	7.94%	4.23%	4.02%

#### Notes

1. *Pre-tax operating profit is defined as the restated profit before tax excluding restated other income (not related to business activity) but before loss on sale of investments (net), loss on fair valuation of equity shares held as investment, loss on disposal of property, plant and equipments and intangibles and finance cost.*
2. *'Net worth' has been defined as the aggregate of the paid up share capital, changes in equity and non-controlling interest.*
3. *'Net tangible assets' means the sum of all net assets excluding intangible assets as defined in Indian Accounting Standard 26 (Ind AS 38) on 'Intangible Assets' issued by the Institute of Chartered Accountants of India.*
4. *Monetary assets include cash in hand and balances with banks (including the deposit accounts and interest accrued thereon) and current investments and excludes Lien Account balances and unpaid dividend account.*

Fiscal Years 2017, 2016 and 2013 are the three most profitable years out of the immediately preceding five fiscal years in terms of our Restated Financial Statements.

The companies with which our Promoters or our Directors or persons in control of our Company are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application monies at the rate of 15% per annum or any other amount specified under applicable laws, for the period.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY MADE OR CONFIRMED BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 11, 2018 WHICH READS AS FOLLOWS:**



**WE, THE BOOK RUNNING LEAD MANAGERS TO THE OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED JUNE 11, 2018 PERTAINING TO THE SAID OFFER.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
  - a. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT APPLICABLE, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE;**
- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS- COMPLIED WITH AND NOTED FOR COMPLIANCE.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES**

AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER(S) TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION- COMPLIED WITH.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION OF THE EQUITY SHARES OF THE COMPANY; AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC - COMPLIED WITH.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - COMPLIED WITH.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR- COMPLIED WITH.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD 24 IN THE RESTATED FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY KUMAR VIJAY GUPTA & CO., CHARTERED ACCOUNTANTS (ICAI FIRM REGISTRATION NO: 007814N), THE INDEPENDENT CHARTERED ACCOUNTANTS OF OUR COMPANY, BY WAY OF ITS CERTIFICATE DATED JUNE 6, 2018.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). - NOT APPLICABLE

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve any of the Selling Shareholders from any liabilities to the extent of the statements made by each of them in respect of themselves and their proportion of the Equity Shares offered by such Selling Shareholders, as part of the Offer for Sale, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

#### **Caution - Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs**

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.cmr.co.in](http://www.cmr.co.in) or the respective websites of our Promoter Group and Group Companies, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (in respect of themselves and the Equity Shares offered by such Selling Shareholders in the Offer for Sale) and the BRLMs to the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter, Promoter Group and the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, Promoter Group and the Selling Shareholders and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

## Price information of past issues handled by the BRLMs

### A. ICICI Securities Limited

1. Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited:

S. No.	Issuer Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar day from listing
1.	Housing and Urban Development Corporation	12,095.70	60.00*	May 19, 2017	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
2.	AU Small Finance Bank Limited	19,125.14	358.00	July 10, 2017	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%, [+8.06%]
3.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%, [+8.62%]
4.	Matrimony.com Limited	4,974.79	985.00**	September 21, 2017	985.00	-12.28%, [+0.62%]	-7.64%, [+3.37%]	-16.55%, [-0.27%]
5.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [4.06%]
6.	SBI Life Insurance Company Limited	83,887.29	700.00***	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.07%, [+5.84%]	-2.30%, [3.57%]
7.	Newgen Software Technologies Limited	4,246.20	245.00	January 29, 2018	254.00	-0.20%, [-5.18%]	+2.51%, [-3.51%]	-
8.	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%, [+1.33%]	-
9.	Aster DM Healthcare Limited	9,801.40	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	5.29%, [+1.00%]	-
10.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%, [+4.96%]	-	-

\* Discount of Rs.2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 60.00 per equity share.

\*\*Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.

\*\*\*Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

#### Notes:

1. All data sourced from [www.nseindia.com](http://www.nseindia.com)
2. Benchmark index considered is NIFTY
3. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> 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 public issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018 - 2019	1	5,124.80	-	-	-	-	-	1	-	-	-	-	-	-
2017 - 2018	9	208,306.61	-	-	5	1	-	3	-	-	2	1	2	1
2016 - 2017	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

#### B. Edelweiss Financial Services Limited

1. Price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited:

S. No.	Issuer Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar day from listing
1.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	Not Applicable	Not Applicable
2.	Galaxy Surfactants Limited	9,370.88	1480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	Not Applicable
3.	Amber Enterprises India Limited	6,000.00	859.00 <sup>^^</sup>	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	Not Applicable
4.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	Not Applicable
5.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	Not Applicable
6.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
7.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
8.	Prataap Snacks Limited	4,815.98	938.00 <sup>^^</sup>	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
9.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]
10.	Cochin Shipyard Limited	14,429.30	432.00 <sup>^</sup>	August 11, 2017	440.15	30.14% [3.04%]	30.96% [6.10%]	20.01% [8.11%]

Source: [www.nseindia.com](http://www.nseindia.com)

<sup>^^</sup> Amber Enterprises India Limited - Employee Discount of ₹ 85 per Equity Share to the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the Offer Price of Rs. 859 per equity share

<sup>^^</sup> Prataap Snacks Limited - Employee Discount of ₹ 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of Rs. 938 per equity share

<sup>^</sup> Cochin Shipyard Limited - Discount of Rs.21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of Rs. 432 per equity share

## Notes

1. Based on date of listing.
2. % of change in closing price on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day.
3. Wherever 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
4. The Nifty 50 index is considered as the Benchmark Index
5. Not Applicable. – Period not completed
6. Disclosure in Table-1 restricted to 10 issues.

2. Summary statement of price information of past public issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018 – 2019*	1	34,801.16	-	1	-	-	-	-	-	-	-	-	-	-
2017 - 2018	11	218,549.76	-	-	1	1	5	4	-	-	1	3	1	2
2016 - 2017	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

\*The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
3. The Nifty 50 index is considered as the Benchmark Index.

For the financial year 2018-19 – 1 issue has been completed.

For the financial year 2017-18 – 11 issues have been completed. All the 11 issues have completed 90 days and only 7 issues have completed 180 days yet.

## Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of the BRLM	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Edelweiss Financial Services Limited	www.edelweissfin.com

## Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, Subsidiaries, Group Companies or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares offered in the Offer have not been and will not be registered under the United States 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, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.**

#### **Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

#### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at 5th floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi 110 001, India. The BRLMs may simultaneously file this Draft Red Herring Prospectus with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, National Capital Territory of New Delhi and Haryana, at New Delhi located at 4<sup>th</sup> Floor, IFCI Tower 61, Nehru Place, New Delhi 110 019, India.

#### **Listing**

Applications shall be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders may forthwith repay (in proportion to the Equity Shares offered by each of them respectively, in the Offer), all monies received from the applicants in pursuance of this Draft Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time after our Company and the Selling Shareholders become liable to repay it, then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from the expiry of such period, be liable to repay the money, with interest as prescribed under the applicable laws. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/Offer Closing Date. The Investor Selling Shareholder confirms that it shall provide assistance to our Company and the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date.

If our Company does not Allot the Equity Shares pursuant to the Offer within six Working Days of the Bid/Offer Closing Date or such timelines prescribed by SEBI, it shall repay, without interest all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at rate as prescribed under applicable law, for the delayed period.

All expenses in relation to the Offer other than listing fees (which will be borne by the Company) shall be shared pro rata by the Selling Shareholders and the Company in proportion to the Equity Shares offered by each of them in the Offer.

### **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, lenders to our Company, Bankers to our Company, Statutory Auditors; (b) Selling Shareholders; (c) the BRLMs, the Syndicate Members, the Public Offer Bank(s), the Escrow Collection Bank(s), Refund Banker and the Registrar to the Offer and (d) third party chartered engineer, to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with RoC.

Our Company has received written consent dated June 11, 2018 from our Statutory Auditor, namely, S. R. Batliboi & Co. LLP, Chartered Accountants for inclusion of their reports, dated June 4, 2018 on the Restated Unconsolidated Financial Statements and the Restated Consolidated Financial Statements and the Statement of Tax Benefits dated June 8, 2018, in this Draft Red Herring Prospectus, and to include their name as required under Section 26(1) of the Companies Act, 2013, read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus.

### **Experts**

Our Company has received written consent dated June 11, 2018, from the Statutory Auditors namely, S.R. Batliboi & Co. LLP, to include their name as required under Section 26(1) of the Companies Act, 2013, read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Statutory Auditor and in respect of their (i) examination reports, each dated June 4, 2018 on our Restated Consolidated Financial Statements and our Restated Unconsolidated Financial Statements; and (ii) their report dated June 8, 2018, on the Statement of Tax Benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Additionally, GE Safety and Engineering Services, Chartered Engineer has also provided their consent dated April 30, 2018, to include their name as an expert in relation to certifying the installed and utilised capacities of our Manufacturing Facilities, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

### **Offer Expenses**

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing, auditor’s fees and listing fees. For further details of Offer related expenses, see the section “*Objects of the Offer*” on page 88.

All expenses in relation to the offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders in accordance with applicable law. Each Selling Shareholder



shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholder.

#### **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office. For details, see the section “*Objects of the Offer*” on page 88.

#### **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see the titled “*Objects of the Offer*” on page 88.

#### **Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer will be as per the agreement dated June 7, 2018 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is made available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

#### **IPO grading**

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

#### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

#### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

#### **Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is an 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 subscription for any of the Equity Shares since our Company’s inception.

#### **Previous issues of the Equity Shares otherwise than for cash**

Except as disclosed in the section “*Capital Structure*” on page 72, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **Previous capital issue during the previous three years by listed Group Companies and Subsidiaries of our Company**

None of our Subsidiaries are listed and have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus. Except for Toyota Tsusho and SFSL which are listed on stock exchanges, none of our Group Companies are listed on any stock exchange. Further, none of our listed Group Companies have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and Subsidiaries of our Company**

Our Company and our Subsidiaries have not undertaken any previous public or rights issue. Our Indian listed Group Company, SFSL, has not undertaken any previous public or rights issue in India in the last ten years. Our Subsidiaries has not undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

### **Partly Paid-up Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Outstanding Debentures or Bonds**

Our Company does not have any outstanding debentures or bonds as of the date of this Draft Red Herring Prospectus.

### **Outstanding Preference Shares**

Except as disclosed in “*Capital Structure*” on page 72, our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Offer for redressal of their grievances.

All grievances other than 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. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

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

Our Company estimates that the average time required by our Company or Registrar to the Offer or SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Gauri Shankar Agarwala, Gyan Mohan and Akshay Agarwal as members which is responsible for redressal of grievances of the security holders of our Company. For details of the Stakeholders' Relationship Committee, see the section "*Our Management*" on page 156.

Our Company has also appointed Pradeep Singh, the Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Unit Nos. 802-803, SSR Corporate Park  
8th Floor, 13/6, Sector 27 B  
Delhi - Mathura Road  
Faridabad 121 003  
Haryana, India  
**Telephone:** +91 129 422 3050  
**Facsimile:** +91 129 422 3052  
**Email:** complianceofficer@century.in

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

**Disposal of investor grievances by our listed Group Companies or listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956**

Except as disclosed in the section "*Our Group Companies*" on page 178, as of the date of this Draft Red Herring Prospectus, none of our Group Companies and the companies under the same management as that of our Company are listed on any stock exchange. For details of the mechanism for disposal of investor grievances by listed Group Companies, see the section "*Our Group Companies*" on page 178.

**Changes in auditors**

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the five years preceding the date of this Draft Red Herring Prospectus, except for the purposes of the bonus issue of Equity Shares as disclosed in the section "*Capital Structure*" on page 72.

**Revaluation of Assets**

Our Company has not re-valued its assets at any time during the five years preceding the date of this Draft Red Herring Prospectus.

## SECTION VII: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the SEBI Listing Regulations the Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

#### Offer Expenses

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared pro rata by the Selling Shareholders and the Company in proportion to the number of Equity Shares offered by each of them in the Offer. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses in relation to the Offer for Sale in each of their behalf.

#### Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the Companies Act and the Articles of Association. For further details, see the section “*Main Provisions of Articles of Association*” on page 525.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations. For further details in relation to dividends, see the sections “*Our Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 187 and 525, respectively.

#### Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs and will be advertised in [●] edition of the English national daily newspaper [●] and [●] edition of the Hindi national daily newspaper [●], Hindi also being the regional language of New Delhi where our Registered Office is located, each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section “*Main Provisions of Articles of Association*” on page 525.

## **Option to receive Equity Shares in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated June 1, 2018 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated June 5, 2018 between CDSL, our Company and Registrar to the Offer.

## **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

## **Period of operation of subscription list**

See the sub-section titled “*Terms of the Offer – Bid/ Offer Programme*” on page 475.

## **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in New Delhi, India.

## **Nomination facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and

Debentures), Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective Depository Participant.

### Withdrawal of the Offer

Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### Bid/Offer Programme

<b>BID/OFFER OPENS ON</b>	<b>[●]*</b>
<b>BID/OFFER CLOSES ON</b>	<b>For QIB Bidders [●]**</b>
	<b>For Retail Individual Bidders and Non Institutional Bidders: [●]</b>

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

\*\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**The above timetable, other than the Bid/Offer Closing Date is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.**

While our Company and the Selling Shareholders (each, in respect of themselves and the Offer for Sale by them respectively) shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Investor Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all support and co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer for Sale) at all Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

**Submission of Bids (other than Bids from Anchor Investors):**

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side,

i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.**

### **Minimum Subscription**

If our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent up to [●] post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. 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.

The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Draft Red Herring Prospectus and SEBI ICDR Regulations.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000 in compliance with Regulation 26(4) of SEBI ICDR Regulations.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

### **Restrictions on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, Promoter's Contribution and the Anchor Investor lock-in of Equity Shares as provided in the section "*Capital Structure*" on page 72 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares of our Company and on their consolidation/ or splitting, except as provided in the Articles of Association. For details, see the section "*Main Provisions of the Articles of Association*" on page 525.



## OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,500 million by our Company and the Offer for Sale of up to 6,402,650 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The face value of equity shares is ₹ 10 each.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment <sup>(2)</sup>	[●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/allocation	Not more than 50% of the Offer size  Up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation to domestic Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Offer size or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Offer size or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion):  (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investor	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see the section “Offer Procedure – Part B- Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page 515. <sup>(5)</sup>
Mode of Bid	Through ASBA Process (except in case of Anchor Investors)		
Minimum Bid	Such number of Equity Shares, in multiple of [●] Equity Shares, that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares, in multiple of [●] Equity Shares, that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Offer size, subject to	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Offer size, subject to	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
	applicable limits	applicable limits	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		
Trading Lot	One Equity Share		
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III FPIs, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-banking Financial Companies	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form <sup>(4)</sup>		

\* Assuming full subscription in the Offer

- (1) Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see the section "Offer Procedure" on page 481.
- (2) Assuming full subscription in the Offer and subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations. It is being made through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Investor Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. Upt to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (4) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see the section "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 515.
- (5) In case of oversubscription in Retail Category, maximum number of Retail Individual Bidders 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 Bidders by the minimum Bid Lot ("Retail – Bid Lot Allottees"). The Allotment to Retail Individual Bidders will then be made in the following manner:
  - (i) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Net Offer is equal to or less than Retail – Bid Lot Allottees, (i) all such Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to those Retail Individual

*Bidders who have applied for more than the minimum Bid Lot, for the balance demand of the Equity Shares Bid by them (i.e. the difference between the Equity Shares Bid and the minimum Bid Lot).*

- (ii) In the event number of Retail Individual Bidders who have submitted valid Bids in the Net Offer is more than the Retail – Bid Lot Allottees, those Retail Individual Bidders, who will be Allotted the minimum Bid Lot shall be determined the basis of draw of lots. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots.*

Under subscription, if any, in any category except in the QIB Portion would be met with spill-over from the other categories at the discretion of our Company and the Investor Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated circular dated November 10, 2015 (CIR/CFD/POL/CYC/LE/11/2015), circular dated January 21, 2016 (SEBI/HO/CFD/DIL/CIR/P/2016/26) and circular dated February 15, 2018 (SEBI/HO/CFD/DIL2/CIR/P/2018/22) (the “General Information Document”) included below under section “Offer Procedure - Part B – General Information Document for Investing in Public Issues”, 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 has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and/or the accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Investor Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the BRLMs, Syndicate Members and sub-syndicate members at the Bidding Centres, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. 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 SCSBs at the time of submitting the Bid.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-residents Eligible NRIs, FPIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors	White

\* Excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSBs, where the Bidder has the ASBA account (details of which were provided by the Bidder in its respective ASBA Form) and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### Who can Bid?

In addition to the category of Bidders set forth under the section “*Offer Procedure – Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*” on page 496, any other persons eligible to Bid in the Offer under the applicable laws, rules, regulations, guidelines, and policies are also eligible to invest in the Equity Shares.

### Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for the Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

Our Promoter and members of our Promoter Group will not participate in the Offer except to the extent of Offer for Sale by them.

### Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see “*Offer Procedure – Part B – General Information Document for Investing in Public Issues*” on page 493.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for an FPI in our Company is 49% of the total paid-up Equity Share capital of our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A Category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company, the Selling Shareholders and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and Investor Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which, our Company reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act. A banking company would require a prior approval of RBI to make investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **Bids 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 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 and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as

applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons 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.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circular number CIR/IMD/DF/21/2012 s dated September 13, 2012 and circular number CIR/CFD/DIL/1/2013 dated January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by 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 thereof.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on an unconsolidated basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **Restriction on Foreign Ownership of Equity Shares**



Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017 effective from August 28, 2017 (the “**FDI Policy**”), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**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 unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

## **General Instructions**

### ***Do's:***

- (i) 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;
- (ii) Ensure that you have Bid within the Price Band;
- (iii) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- (iv) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
- (v) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
- (vi) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
- (vii) If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum

Application Form;

- (viii) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- (ix) Ensure that the name(s) given in the Bid cum Application Forms is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- (x) In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- (xi) Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- (xii) Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed and obtain a revised acknowledgment;
- (xiii) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts, for investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market 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;
- (xiv) All other applications in which PAN is not mentioned will be rejected;
- (xv) 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;
- (xvi) Ensure that the category and the investor status is indicated;
- (xvii) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
- (xviii) Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
- (xix) Ensure that the depository account is active, the correct DP ID, the Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the DP ID, Client ID and PAN available in the Depository database; and
- (xx) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account;
9. 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;
10. 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; and
11. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the depository).
12. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
13. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;
14. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
15. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
16. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
17. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms; and
18. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
19. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
20. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
21. Do not submit the GIR number instead of the PAN; and
22. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Payment into Escrow Account for Anchor Investors**

Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

#### **Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of English national newspaper [●] and [●] edition of the Hindi daily newspaper [●], Hindi also being the regional language of New Delhi where our Registered Office is located, each with wide circulation. In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

#### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

#### **Undertakings by our Company**

Our Company undertakes the following that:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms by Anchor Investors;
- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company and/or any Selling Shareholder subsequently decides to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in ASBA Account within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

#### **Undertakings by the Promoter Selling Shareholders and the Promoter Group Selling Shareholders**

Each of the Promoter Selling Shareholders and the Promoter Group Selling Shareholders undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it in accordance with Regulation 26(6) of the SEBI ICDR Regulations, or issued pursuant to a bonus issue or issued pursuant to conversion of preference shares are fully paid-up and are in dematerialised form;
- the Equity Shares proposed to be sold/transferred by it pursuant to the Offer for Sale, is held by it or its trustee for the benefit of and on behalf of the Promoter Selling Shareholder or the Promoter Group Selling Shareholder, as the case may be;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares proposed to be sold/transferred by it pursuant to the Offer for Sale;
- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, charges, pledges, liens or encumbrances and shall be transferred to the investors within the time specified under applicable law;
- it shall not offer, lend, pledge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer for Sale;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer and in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. In case of delay, interest as per applicable law shall be paid by them to the extent of the offered shares;

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- it shall deliver the Equity Shares being offered by it in the Offer into an escrow account two days prior to the filing of the Red Herring Prospectus with the RoC;
- it shall not further transfer the Equity Shares except in the Offer during the period commencing from submission of this Draft Red Herring Prospectus until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;
- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer;
- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013; and
- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

#### **Undertakings by the Investor Selling Shareholder**

The Investor Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it in accordance with Regulation 26(6) of the SEBI ICDR Regulations, or have been issued pursuant to a bonus issue or have been issued pursuant to conversion of preference shares are fully paid-up and are in dematerialised form;
- the Equity Shares proposed to be sold/transferred by each Selling Shareholder pursuant to the Offer for Sale, are held by it or its respective trustee for the benefit of and on behalf of such Selling Shareholder, as the case may be;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares proposed to be sold/transferred by it pursuant to the Offer for Sale;
- the Equity Shares being sold by it pursuant to the Offer are free and clear of any liens or encumbrances and shall be transferred to the investors within the time specified under applicable law;
- it shall not offer, lend, pledge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer for Sale;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer and in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. In case of delay, interest as per applicable law shall be paid by them to the extent of the offered shares;
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer; and
- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

***“Any person who:***

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Utilisation of Offer proceeds**

The Board of Directors certify that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## **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, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”)

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the 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 Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://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 26/27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations,



2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable) (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the 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**

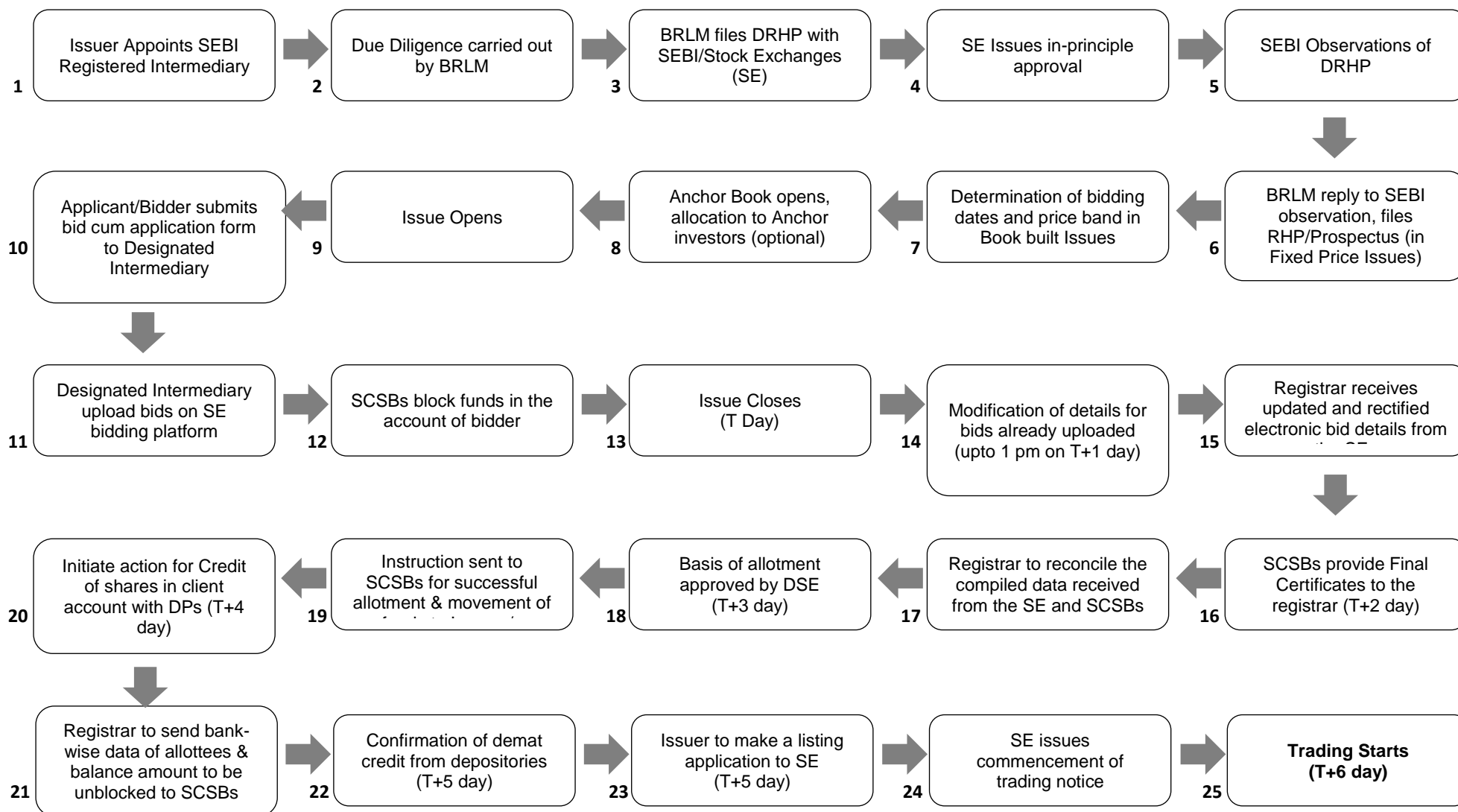
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of 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 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 following of the below mentioned steps shall be read as:
  - i. Step 7: Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



### 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, 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, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- 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;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Book Running and Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered 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 colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	[As specified by the Issuer]

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

## Application Form – For Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No. ....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px;">ISIN : .....</div>
		Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER BANK/SCSB BRANCH STAMP & CODE	Address <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>
		Tel. No (with STD code) / Mobile <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER
		<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
3. BIDDER'S DEPOSITORY/ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		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 Indians - NRI <input type="checkbox"/> (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		5. CATEGORY
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
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)
	<div style="display: flex; justify-content: space-between;"> <span>Bid Price</span> <span>Retail Discount</span> <span>Net Price</span> </div>	"Cut-off" (Please tick)
Option 1	<div style="display: flex; justify-content: space-between;"> <span>8   7   6   5   4   3   2   1</span> <span>3   2   1</span> <span>3   2   1</span> </div>	<input type="checkbox"/>
(OR) Option 2	<div style="display: flex; justify-content: space-between;"> <span>8   7   6   5   4   3   2   1</span> <span>3   2   1</span> <span>3   2   1</span> </div>	<input type="checkbox"/>
(OR) Option 3	<div style="display: flex; justify-content: space-between;"> <span>8   7   6   5   4   3   2   1</span> <span>3   2   1</span> <span>3   2   1</span> </div>	<input type="checkbox"/>
7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> (₹ in words) .....		
ASBA Bank A/c No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		
Bank Name & Branch <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		
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 ANNOUNCEMENT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.		
8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (A clear legible stamp of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all actions necessary to make the Application in the line 1) ..... 2) ..... 3) .....	
Date : .....		
TEAR HERE		
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
		PAN of Sole / First Bidder <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
DPID / CUID <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>		
Amount paid (₹ in figures) <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> Bank & Branch <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>		Stamp & Signature of SCSB Branch
ASBA Bank A/c No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div>
Received from Mr./Ms. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		
Telephone / Mobile <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> Email <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>		
TEAR HERE		
XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1    Option 2    Option 3 No. of Equity Shares <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> Bid Price <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> Amount Paid (₹) <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>	Name of Sole / First Bidder <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>
Stamp & Signature of Broker / SCSB / DP / RTA		Acknowledgement Slip for Bidder
ASBA Bank A/c No. <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
Bank & Branch <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>		

# Application Form – For Non-Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details: _____ CEN No _____	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>		
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> <b>BOOK BUILT ISSUE</b>  <b>ISIN : _____</b> </td> <td style="width: 50%;"> <b>Bid cum Application Form No.</b> _____                 </td> </tr> </table>	<b>BOOK BUILT ISSUE</b> <b>ISIN : _____</b>	<b>Bid cum Application Form No.</b> _____
<b>BOOK BUILT ISSUE</b> <b>ISIN : _____</b>	<b>Bid cum Application Form No.</b> _____			

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr./Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <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 _____	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> <b>NR</b> Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> <b>FII</b> FII or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> <b>FIIA</b> FII Sub-account Corporate/Individual <input type="checkbox"/> <b>FVCI</b> Foreign Venture Capital Investor <input type="checkbox"/> <b>FPI</b> Foreign Portfolio Investors <input type="checkbox"/> <b>OTH</b> Others (Please Specify) _____
--	--

<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b> <table style="width: 100%;"> <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> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </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)			"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"/>	<b>5. CATEGORY</b> <input type="checkbox"/> <b>Retail Individual Bidder</b> <input type="checkbox"/> <b>Non-Institutional Bidder</b> <input type="checkbox"/> <b>QIB</b>
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)			"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"/>																							

<b>7. PAYMENT DETAILS</b> Amount paid (₹ in figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
---	---

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 THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b> _____ Date : _____	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the time: 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> _____
---	---	---

TEAR HERE

LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>	<b>Bid cum Application Form No.</b> _____ <b>PAN of Sole / First Bidder</b> _____
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

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> <table style="width: 100%;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table> ASBA Bank A/c No. _____ Bank & Branch _____		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA _____ <b>Name of Sole / First Bidder</b> _____ <b>Acknowledgement Slip for Bidder</b> <b>Bid cum Application Form No.</b> _____
	Option 1	Option 2	Option 3														
No. of Equity Shares																	
Bid Price																	
Amount Paid (₹)																	

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: *“Any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN 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 sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts, Bids/Applications by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in

the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (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 Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual



Bidders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- (b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount).
- (e) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest 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, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net 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, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the 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, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an 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 in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, 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 direct credit, RTGS, NACH or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### 4.1.7.2 Payment instructions for ASBA Bidders

- (a) Bidders may submit the ASBA Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, *i.e.* to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal

to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the 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 RIB 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 the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature

of the ASBA Account holder(s) is also required.

- (c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ 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:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
	Address : ..... Contact Details: ..... CIN No. ....	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<div style="border: 1px solid black; padding: 2px;">BOOK BUILT ISSUE</div> <div style="border: 1px solid black; padding: 2px;">ISIN : .....</div>
		Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px;"></div>

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. <div style="border: 1px solid black; width: 100px; height: 20px;"></div> Address <div style="border: 1px solid black; width: 100px; height: 20px;"></div> Email <div style="border: 1px solid black; width: 100px; height: 20px;"></div> Tel. No (with STD code) / Mobile <div style="border: 1px solid black; width: 100px; height: 20px;"></div>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
		<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
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									
Additional Amount Paid (₹ in figure)					₹ in words				
ASBA Bank A/c No.									
Bank Name & Branch									
<small>THE APPLICANT/ BIDDERS, BY SIGNING THIS FORM, HEREBY AGREE AND CONFIRM THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND CORRECT AND THAT THE APPLICANT/ BIDDERS HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE IPO AND HAVE AGREED TO BE BOUND BY THE SAME. THE APPLICANT/ BIDDERS HAVE ALSO AGREED TO BE BOUND BY THE TERMS AND CONDITIONS OF THE IPO AND HAVE AGREED TO BE BOUND BY THE TERMS AND CONDITIONS OF THE IPO AND HAVE AGREED TO BE BOUND BY THE TERMS AND CONDITIONS OF THE IPO.</small>									
7A. SIGNATURE OF SOLE / FIRST BIDDER					7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)				
<div style="border: 1px solid black; width: 100px; height: 40px;"></div> Date : .....					I/We authorize the SCSB to do all acts as are necessary to make the Application in the form (1) ..... (2) ..... (3) .....				
					BROKER / SCSB / DP / RTA STAMP (A document being uploaded of Bid in Stock Exchange system)				

LOGO	<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px;"></div>
	<b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		
DPID / CLID <div style="border: 1px solid black; width: 100px; height: 20px;"></div>		PAN of Sole / First Bidder <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	
Additional Amount Paid (₹)		Bank & Branch	
ASBA Bank A/c No.		Stamp & Signature of SCSB Branch	
Received from Mr./Ms.		<div style="border: 1px solid black; width: 100px; height: 40px;"></div>	
Telephone / Mobile			
Email			

<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td>Name of Sole / First Bidder</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Acknowledgement Slip for Bidder</b></td> </tr> <tr> <td colspan="2">         Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px;"></div> </td> </tr> </table>	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder			<b>Acknowledgement Slip for Bidder</b>		Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	
	Option 1	Option 2	Option 3																															
No. of Equity Shares																																		
Bid Price																																		
Additional Amount Paid (₹)																																		
ASBA Bank A/c No.																																		
Bank & Branch																																		
Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder																																	
<b>Acknowledgement Slip for Bidder</b>																																		
Bid cum Application Form No. <div style="border: 1px solid black; width: 100px; height: 20px;"></div>																																		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY

## ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### 4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount).
- (d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RIB 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, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

### 4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the 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, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

#### 4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount).
- (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:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP



ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an 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 of ASBA for applying in the Issue.
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

##### **4.3.5.3 Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

##### **4.3.5.4 Discount (if applicable)**

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

#### **4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

### **4.4 SUBMISSION OF BID CUM APPLICATION FORM/ APPLICATION FORM/ REVISION FORM**

- 4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>	
Anchor Investors Application Form	1)	To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location
	(b)	To the Designated Branches of the SCSBs

- (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 Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1 p.m. on next Working 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) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB 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 upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

#### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

##### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *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 by OCBs;
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court, by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five ASBA Forms/Application Forms as per ASBA Account;
- (o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- (p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (q) Bids not uploaded in the Stock Exchanges bidding system.
- (r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (s) In case of Anchor Investors Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (t) In case of Bids by ASBA Bidders, where no confirmation is received from SCSB for blocking of Funds;
- (u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;
- (w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## **5.6 BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an 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 portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

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

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

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/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. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are

available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/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 Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidders will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the 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 RIBs**

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

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

### **7.2 ALLOTMENT TO NIBs**

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the 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 NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the 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, 2009 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 Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the 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.
- (e) **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), NIBs 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, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Cash Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash 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 Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.



## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit of Equity Shares to the beneficiary account with DPs, Depositories and 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) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 500,000 but which may extend to ₹ 5 million 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 ₹ 300,000, 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/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. 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 Issue involving a Fresh Issue and an Offer for Sale, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of the SCRR, the Company and the BRLMs shall first ensure Allotment of Equity Shares in the Fresh Issue followed by Allotment of Equity Shares offered by the Selling Shareholders. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with the Red Herring Prospectus and SEBI ICDR Regulations, 2009.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue

under Regulation 26(2) of SEBI ICDR Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** 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 Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders 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' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

#### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NACH**—National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
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 the SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) 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 Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid /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 Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Closing Date

<b>Term</b>	<b>Description</b>
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. Bidders/Applicants 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 ASBA Bidders/Applicants 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, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the 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 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
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
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
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 and the Investor Selling Shareholder, in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms submitted by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http:// www.sebi.gov.in/ cms/ sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )

<b>Term</b>	<b>Description</b>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or where instructions which are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue and/or may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NACH/NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer and the Investor Selling Shareholder, in consultation with the Book Running Lead Manager(s)
Maximum RIB Allottees	The maximum number of ribs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the 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

<b>Term</b>	<b>Description</b>
Net Issue	The Issue less reservation portion
Non-Institutional Bidders or NIBs	All Bidders/Applicants 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 Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the IT 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 and the Investor Selling Shareholder, 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 and the Investor Selling Shareholder, 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	A Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the 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
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 Issue/RTI	The Registrar to the Issue as disclosed in the Red Herring and Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.

<b>Term</b>	<b>Description</b>
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum bid lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the 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 ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, the Registrar to the Offer and the Underwriters to be entered into on or after the Pricing Date
Working Day	“Working Day”, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency and contradiction, conflict and overlap between Part A and Part B, the provisions of Part B shall be applicable.

However, Part B shall automatically terminate and cease to have any force and effect from the date of listing of shares of our Company on the Stock Exchanges subsequent to an initial public offering of the Equity Shares without any further action by our Company or by the Shareholders.

### PART A

#### 1. PRELIMINARY

Save as provided herein, the regulations contained in Table "F" in Schedule I to the Companies Act, 2013, or in the Schedule to any previous Act (as defined below) shall not apply to the Company, except in regard to matters not specifically provided in these Articles.

These Articles are in accordance with the prevailing laws in India. In case of amendment to any act, rules, regulations, etc. the article herein shall be deemed to have been amended to the extent that article will not be capable of restricting what has been allowed by the Act by virtue of an amendment, subsequent to adoptions of the article.

These Articles shall be binding on the Company and its members as if the terms of agreement between them.

The regulation 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 Resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

#### 2. DEFINITIONS AND INTERPRETATION

##### **Defined Terms**

In these Articles, except where the context otherwise requires (a) capitalised terms defined by inclusion in quotations and/or parenthesis have the meanings so ascribed; and (b) the following terms shall have the following meanings assigned to them herein below:

“**1956 Act**” means the Companies Act, 1956 and rules framed thereunder including any statutory modification or re-enactment thereof, to the extent in force;

“**Act**” shall mean: (i) the Companies Act, 2013 and the Rules, as may be amended; or repealed to the extent in force pursuant to the notification of the notified sections; and (ii) 1956 Act, and the rules thereunder, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be;

“**Accounts**” shall mean the consolidated and stand-alone audited financial statements of the Company and the Subsidiary, including the balance sheet, profit and loss account and cash flow statements, together with all such documents which are required to be annexed to such audited financial statements under Applicable Law and Indian GAAP and/or the relevant GAAP as the case may be;

“**Applicable Law**” or “**Law**” shall mean any relevant statute, law (including common law), regulation, rule, notification, bye-law, guideline, treaties, judgment, order, decree, approval, directive, requirement or other restriction issued by or any agreements entered into with any Governmental Authority, or any similar form of decision of, or determination by, or any interpretation, policy or administration or order issued by any Governmental Authority of any of the foregoing, in each case having the force of law and as is applicable to the Company;



**“Articles”** means these Articles of Association of the Company, as originally framed and as amended from time to time and which is in force for the time being;

**“Board”** or **“Board of Directors”** shall mean the board of directors of the Company;

**“Business Day”** shall mean a day (excluding Saturdays, Sundays and public holidays) on which scheduled commercial banks in Mumbai and/or Delhi, India and commercial banks in Mumbai and/or Delhi are open for normal banking business;

**“Chairman”** shall mean the chairman of the Board of Directors;

**“Charter Documents”** shall mean these Articles along with the Memorandum of Association, as amended from time to time;

**“Company”** shall mean Century Metal Recycling Limited, formerly known as Century Metal Recycling Private Limited, a Public Limited Company incorporated under the 1956 Act;

**“Contract”** shall mean, with respect to a Person, any agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether written or oral, entered into by or on behalf of such Person;

**“Director”** shall mean a director on the Board;

**“Depositories Act”** shall mean the Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof;

**“Dividend”** shall include interim dividends;

**“Encumbrances”** means, any claim, mortgage, charge (fixed or floating), non-disposal undertaking, escrow, power of attorney (by whatever name called), pledge, lien, hypothecation, option, power of sale, right of pre-emption, right of first refusal, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements and any agreement or obligation to create any of the foregoing, or encumbrance of any kind, or contract to give or refrain from giving any of the foregoing;

**“Equity Shares”** or **“Shares”** shall mean equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share and one vote per share;

**“Financial Statements”** shall mean the audited as well as unaudited balance sheet, profit and loss account statements and cash flows statement of the Company and the Subsidiary;

**“Financial Year”** shall mean the period commencing April 1 each year and ending on March 31 the next year, or subject to Applicable Law, such other period as may be determined by the Board of Directors of the Company to be the Financial Year for the Company;

**“GAAP”** shall mean, the generally accepted accounting principles, standards and practices as applicable in the relevant jurisdiction;

**“General Meeting”** shall mean a general meeting of the Shareholders of the Company, convened and held in accordance with the Act and these Articles;

**“Governmental Authority”** shall mean any entity, authority or body exercising executive, legislative, judicial, regulatory, statutory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India or any political subdivision thereof, or of any other jurisdiction relevant to the Company, its Business or the transactions contemplated under these Articles, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange;

**“Independent Director”** shall mean the independent director as defined in the Act and the Listing Regulations;

**“INR” or “Indian Rupees”** means the lawful currency of India;

**“Indian GAAP”** shall mean, the generally accepted accounting principles, standards and practices as applicable in India;

**“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**“Member”** shall mean the Member of the Company holding Share or Shares of any class and whose name is entered in the Register of Members of the Company, and shall comprise the subscribers/signatories to the Memorandum of Association and these Articles, and such other persons, as the Board shall admit as members of the Company from time to time, and beneficial owners as defined in Article 6;

**“Person”** means any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust (including its trustee or beneficiaries) or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, Governmental Authority, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

**“Promoters”** shall mean the following individuals and shall include their respective heirs, executors, administrators, successors and permitted assigns:

- a) Gauri Shankar Agarwala;
- b) Mohan Agarwal;
- c) Kalawati Agarwal; and
- d) Pratibha Agarwal

**“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company;

**“Relative”** shall mean a relative as defined in section 2 (77) of the Companies Act, 2013 and rules prescribed thereunder;

**“Related Parties” or “Related Party”** shall have the meaning assigned to it under section 2(76) of the Act and any other applicable provision of the Act;

**“Related Party Transaction”** shall mean those transactions which are defined under Section 188 of the Act;

**“Rules”** shall mean the rules made under the Act and notified from time to time;

**“Securities”** shall mean the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956;

**“Share”** means a Share in the Share Capital of the Company and includes stock except where a distinction between stock and Share is expressed or implied;

**“Shareholders”** shall mean any shareholder of Shares of the Company;

**“Share Capital”** means the issued, subscribed and paid up share capital of the Company on a Fully Diluted Basis and shall include the Securities;

**“Share Equivalents”** shall mean preference shares, debentures, bonds, loans, warrants, options, depositary receipts, debt securities, loan stock, notes, or any other instruments, securities or certificates which are convertible into or exercisable or exchangeable for, or which carry a right to, or any right to, subscribe to or purchase any equity or preference shares of the Company or which represent or bestow any beneficial ownership/interest in the Share Capital or the voting rights in the Company or any other rights which are otherwise available to only equity shareholders of a company (including, any

distribution rights) as currently existing or as may be issued by the Company from time to time;

**“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act;

**“Subsidiary”** shall have the meaning assigned to it under Section 2(87) of the Act;

**“Transfer”** means selling, giving, assigning, transferring any interest in trust, Encumbrance, mortgage, alienation, encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of Law or otherwise) any Encumbrance on, or in any other way dispose off (by transfer of an economic interest, creation of derivative security or otherwise) any securities, shares or interests or any right, title or interest therein or otherwise dispose of securities, shares or interests in any manner whatsoever voluntarily or involuntarily or whether directly or indirectly; and

**“Tribunal”** means the National Company Law Tribunal constituted under Section 408 of the Act.

### **Interpretation**

Heading and bold typeface are only for convenience and shall be ignored for the purpose of interpretation;

Unless the context of these Articles otherwise requires:

- (i) reference to an individual who is a Shareholder includes his executors, administrators and personal representatives. In the event of transmission of Equity Shares of an individual who is a shareholder, the Person to whom such Equity Shares are transmitted shall also be deemed to be bound by the terms and conditions of these Articles;
- (ii) any reference to Rs. or INR is to Indian Rupees;
- (iii) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of these Articles or that document;
- (iv) words using the singular or plural number also include the plural or singular number, respectively;
- (v) words of any gender are deemed to include the other gender;
- (vi) the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to these Articles or specified Article of these Articles, as the case may be;
- (vii) the term “Article” refers to the specified Article of these Articles;
- (viii) reference to any legislation or law or to any provision thereof shall include references to any such law and any amendments, supplements, re-enactments or modifications thereto made from time to time and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;
- (ix) reference to the word “include” shall be construed without limitation;
- (x) notwithstanding anything to the contrary, any time limits specified in any provision of these Articles, within which any Party is required to perform any obligations or complete any activity, shall be extended by such period as may be required to comply with any requirement of the Applicable Law including those laws relating to foreign investment, provided that, the Party that is required to comply with such law shall act in good faith and take all necessary steps to ensure compliance with such law within the minimum time possible while keeping in consideration that time is of the essence in the performance of the Parties’ respective obligations;

- (xi) where a wider construction is possible, the words “other” and “otherwise” shall not be construed ejusdem generis with any foregoing words;
- (xii) terms defined elsewhere in these Articles shall, unless otherwise indicated, have the meaning so ascribed to them;
- (xiii) any reference in these Articles, to consent or approval or similar connotation, unless expressly stated otherwise, shall be in writing, and shall include facsimile communications;
- (xiv) whenever these Articles refer to a number of days, such number shall refer to calendar days as per the Gregorian calendar, unless otherwise specified; and
- (xv) the words “directly or indirectly” mean directly, or indirectly through one or more intermediary Persons, or through contractual or other legal arrangements, and “direct or indirect” shall have the correlative meanings.

### 3. PUBLIC COMPANY

The Company is a public company within the meaning of Section 2(71) of the Act and accordingly:

- (a) is not a private company;
- (b) has a minimum paid-up share capital as per Applicable Laws;

**Provided** that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company, as used in the Act, even where such subsidiary company continues to be a private company in its articles

### 4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as set forth in Clause V of the Memorandum of Association of the Company and shall have the rights, privileges, and conditions attached herewith, as are provided by these Articles with power to increase and/or reduce the Share Capital and divide the Share Capital into several classes and to attach thereto respectively such differential, preferential, qualified or special rights, privileges, or conditions, as may be determined by or in accordance with these Articles and to modify the conditions in such manner as may be permitted by Applicable Laws and these Articles.
- (b) Subject to the provisions of these Articles, the Company may by a resolution passed at a General Meeting increase the authorised or issued or paid up Share Capital or reduce the Share Capital or otherwise amend the Memorandum and these Articles in accordance with the provisions of the Act and the provisions of these Articles.
- (c) The paid up Share Capital shall be at all times at least a minimum of such amount as may be prescribed under the Act.
- (d) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:
  - (a) Equity Share Capital-
    - (i) with voting rights; or
    - (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and
  - (b) Preference share capital.
- (e) If at any time Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class) may,

subject to these Articles and the provisions of section 48 of the Act, and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourth of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, as prescribed by the Act.

- (f) To every such separate meetings as referred in 4(e) above, the provisions of these Article relating to General Meetings shall *mutatis mutandis* apply.
- (g) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.
- (h) Subject to these Articles and the provisions of section 55 of the Act, any preference shares may, with the sanction of a Special Resolution, be issued or re-issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, determine.
- (i) 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 approval of shareholders under the relevant provisions of the Act and Rules.
- (j) 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 by SEBI.
- (k) 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.
- (l) The fully paid Shares shall be free from all lien and that in the case of partly paid Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.
- (m) 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 instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (n) 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.
- (o) 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.
- (p) Except as required by Applicable Law, no Person shall be recognized by the Company as holding any Shares upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent, future or partial interest in any Shares, or any interest in any fractional part of a Share or (except only as by these Articles or by Applicable Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered Shareholder.

- (q) Except so far as otherwise provided by the conditions of the 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 instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (r) All the provisions of these Articles shall apply to the shareholders of the Company.
- (s) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Companies Act, 2013 and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Applicable Law from time to time.
- (t) Subject to the provisions of these Articles, the Share Capital shall be under the control of the Board who may, subject to Applicable Law, issue, allot or otherwise dispose of the same to such Persons, on such terms and conditions and at such time as the Board thinks fit with full power to give to any Person the option to call for any shares or other Securities either at par or at a premium and for such consideration as the Board thinks fit. Subject to these Articles and the Act, the Directors shall have the power, from time to time, to increase and to consolidate or divide the Share Capital in the original or any additional Share Capital into different classes and attach thereto at its discretion any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise, as may be determined by or in accordance with the provisions hereof and to vary, modify or abrogate any such right, privilege, or condition, or restriction in such manner as may for the time being be permitted in accordance with the provisions hereto or the legislative provisions for the time being in force.
- (u) Subject to the provisions of these Articles, and subject to the provisions of section 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own Equity Shares or other specified securities.

## **5. SECURITIES**

The Company shall, subject to the applicable provisions of the Act, compliance with Applicable Law and the consent of the Board, have the power to issue Securities on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

## **6. DEMATERIALISATION OF SECURITIES**

### **Definitions**

For the purpose of this Article:

- (a) “Beneficial Owner” means a person or persons whose name is recorded as such with a Depository;
- (b) “SEBI” means the Securities and Exchange Board of India;
- (c) “Depository” means a company formed and registered under the Companies Act, 2013, or any previous law, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder; and
- (d) “Security” means such security as may be specified by SEBI from time to time.

The Company shall be entitled to dematerialise the Share Capital and to offer Securities in a dematerialised form in accordance with the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and other Applicable Laws. The Company shall, on a request made by a beneficial owner, rematerialise Securities which are in dematerialised form.

Notwithstanding anything in the Act or these Articles to the contrary, where Securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of digital storage devices or any other mode as prescribed by Applicable Law from time to time.

Nothing contained in Section 56 of the Act or these Articles shall apply to a Transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities.

Nothing contained in the Act or these Articles regarding the necessity to have distinctive numbers for Securities issued by the Company shall apply to Securities held with a depository.

All Securities held by a Depository shall be dematerialised and shall be in a fungible form.

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 any Transfer of ownership of shares on behalf of the beneficial owners.

Save as otherwise provided in above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.

Every Person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Securities and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Securities shall be entitled to all the liabilities in respect of his Securities which are held by a depository.

## **7. 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:
  - a. is proved to have been lost or destroyed; or
  - b. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) A certificate, issued under the common seal of the Company, 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.
- (d) 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 twenty (20) 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 the applicable provisions of the Act and Law including rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to the debentures of the Company.

- (e) The provisions of this Article shall *mutatis mutandis* apply any other Securities of the Company.
- (f) When a new share certificate has been issued in pursuance of sub-article (d) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (g) Where a new share certificate has been issued in pursuance of sub-articles (d) 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.
- (h) 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.
- (i) The secretary 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 (h) of this Article.
- (j) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (k) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate for all such holders. 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 instalments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (l) 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 recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not 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.
- (m) Subject to applicable provisions of the Act, the Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of 30 (thirty) days from the date of such lodgement.

## **8. FURTHER ISSUE OF CAPITAL**

- (a) Where at any time, in terms of Section 62 of the Act, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—



- (i) to persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - a. the offer shall be made by notice specifying the number of shares offered and limiting a time, as prescribed under the Act, from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) above shall contain a statement of this right; and
    - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company.
  - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
  - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with conditions specified under the Act and the Rules.
- (b) 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.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
- Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
- (d) The provisions contained in this Article shall be subject to Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.
- (e) Provided that notwithstanding anything hereinbefore contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons referred in this Article 8, in any manner whatsoever,
- (i) if a Special Resolution to that effect is passed by the Company in General Meetings, or
  - (ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

## 9. 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.

#### **10. ALTERATION OF CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say:

- (a) it may 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 a 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.
- (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. Such cancellation of shares shall not be deemed to be a reduction of share capital.
- (f) The Company shall have power, subject to and in accordance with all applicable provisions of the Act and Articles, to purchase any of its own fully paid Shares whether or not they are redeemable and may make payment out of capital in respect of such purchase.
- (g) Subject to Applicable Law (including the Act), the Company may issue Shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue.

#### **11. COMMISSION 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 Securities in accordance with the provisions of the Act.
- (b) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the another.

#### **12. 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 Persons in such proportion and on such terms and conditions and either at a premium, at par or at a discount (subject to compliance with Section 53 and Section 54 of the Act) at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting to

give to any Person or Persons the option or right to call for any shares of the Company either at par or premium during such time and for such consideration as the Board thinks fit and may issue and allot shares of the Company 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 of the Company which may be so allotted may be issued as fully paid up shares of the Company and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares of the Company 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 the 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. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a managing director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of 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 twenty (20).
  - (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may 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, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in these Articles and 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 the first named joint holder shall be sufficient delivery to all such holders.
  - (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iv) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a

competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

- (v) 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.

### **13. CALLS ON SHARES**

- (a) Subject to the provisions of Section 49 and other applicable provisions 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, 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 to him to the Company and at the times and places appointed by the Board and 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 Board may, from time to time, make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) or by the conditions of allotment thereof made payable at fixed times.
  - (i) Each Shareholder shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at time or times and place so specified, the amount called on his Shares.
  - (ii) A call may be revoked or postponed at the discretion of the Board.
- (e) A call in accordance with the Act on partly-paid Shares, is deemed to have been made at time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
- (f) A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or, at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.
- (g) The Board may from time to time, at their discretion extend the time for the payment of any call and may extend such time as to payment of call for any of the members the Directors may deem entitled to such extension save as a matter of grace and favour.
- (h) If the sum payable in respect of any call or instalments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share(s) in respect of which

a call shall have been made or the instalments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

- (i) The joint Shareholders shall be jointly and severally liable to pay all calls in respect thereof.
- (j) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at rate as the Board may determine.
- (k) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (l) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of nominal value of the Share or by way of premium, shall, for the purpose of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum become payable.
- (m) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (n) The Board-
  - (i) may, if it thinks fit, receive from any Shareholder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him; and
  - (ii) upon all or any moneys advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate (per cent annum), as may be agreed upon between the Board and the Shareholder paying the sum in advance.
- (o) The Board may, if it thinks fit (subject to the provisions of the Act) agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

However, no Member 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.
- (p) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
- (q) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
- (r) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the company.

On trial or hearing of any action for the recovery of money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register of the holder of the shares in respect of which such debts accrued, that the resolution making the calls was duly given to the members sued, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such

calls, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of debt.

#### **14. BORROWINGS**

Subject to the provisions of these Articles and subject to Applicable Laws:

- (a) the Board may from time to time at their discretion raise or borrow from the Directors, members, or other Persons any sum or sums or money for the purpose of the Company at such interest and/or upon such security or conditions as they may consider proper or expedient.
- (b) the Board may raise or secure the payment of repayment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for time being.
- (c) debentures, debenture stock, bonds or other securities may be made assignable free from any equities, between the Company and the Person to whom the same be issued.
- (d) subject to the provisions of the Act, any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges to redemption, surrender, drawings, allotment of shares, attendance in General Meetings, appointment of Directors or otherwise.

Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

#### **15. LIEN ON SHARES/DEBENTURES**

Subject to the provisions of these Articles, the Company shall have first and paramount lien upon all shares/debentures (other than fully paid up Shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ debentures, and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.

Unless otherwise agreed, the registration of a Transfer of such shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

Subject to the provisions of these Articles, the shares of any member who is indebted to the Company may be sold by a resolution of the Board to satisfy the Company's lien thereon and be transferred to the name of the purchaser without the consent and notwithstanding any opposition on the part of the indebted member with complete title of the shares of any such Member which shall be sold and transferred against such indebted Member, and all Persons claiming under him whether he may be deemed to be the holder of such shares, which shall stand discharged from all dues and calls made prior to such application of the purchase and the purchaser by virtue of such sale and Transfer shall not be bound to see the application of the purchase money not his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

The Company lien, if any, on a Share shall extend to all dividends payable thereon and the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made –

- (i) Unless a sum in respect of which the lien exists is presently payable, or
- (ii) Until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered Shareholder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board may authorize some Person to transfer the Shares sold to the purchaser thereof.

- (i) The purchaser shall be registered as the Shareholder of the Shares comprised in any such Transfer.
- (ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by irregularity or invalidity in the proceedings in the reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

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.

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

## **16. TRANSFER OF SHARES**

- (a) A common form of transfer shall be used for the purpose of transfer of Shares. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee. Subject to the provisions of Section 56 of the Act, the rules prescribed there under and these Articles, the Shares in the Company shall be transferred by an instrument in writing in the prescribed form and duly stamped and delivered to the Company within the period prescribed in the Act and provisions of Section 56 of the Act shall be duly complied with in respect of all transfers of Shares and registration thereof.
- (b) The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the register of members in respect thereof.
- (c) The Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register-
  - (i) the transfer of a Share, not being a fully paid up Share, to a Person of whom they do not approve; or
  - (ii) any transfer of Shares on which the Company has a lien.
- (d) The Board may also decline to recognise any instrument of transfer unless-
  - (i) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (ii) the instrument of transfer is in respect of only one class of Shares.
- (e) Subject to the provisions of section 91 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.
- (f) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and

succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

- (g) Subject to the provisions of these Articles and any other Law for the time being in force, the Directors may refuse (whether in pursuance of any power of the Company under these Articles or otherwise) to register the transfer of or the transmission by operation of law of the right to, any securities or interest of a Member in the Company and shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, communicate the same to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (h) A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be valid as if he had been a member at the time of the execution of the instrument of transfer.

## **17. TRANSMISSION OF SHARES**

- (i) On the death of a Shareholder, the survivor or survivors where the Shareholder was a joint Shareholder, and his legal representatives where he was a sole Shareholder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares.
- (ii) Nothing in (a) above shall release the estate of a deceased joint Shareholder from liability in respect of any Share which had been jointly held by him with other Persons.
- (iii) Any Person becoming entitled to a Share in consequence of the death or insolvency of any Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
  - a. To be registered himself as a Shareholder; or
  - b. To make such transfer of the Share as the deceased or insolvent Shareholder could have made.
- (iv) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Shareholder had transferred the Share before his death or insolvency.
- (v) If the Person so becoming entitled shall elect to be registered as a Shareholder himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (vi) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- (vii) All the limitations, restriction and provisions of these Articles relating to the right of transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.
- (viii) A Person becoming entitled to a Share by reason of death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.



Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payments of all dividends, bonuses or money payable in respect of the Share, until the requirements of the notice have been complied with.

- (ix) The Company shall be fully indemnified by such person from all liabilities, if any, by actions taken by the Board to give effect to registration or transfer.

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **18. FORFEITURE OF SHARES**

- (a) If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principle or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof of other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
- (b) The notice aforesaid shall-
  - a. name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made 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, instalments, 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 Applicable Law.
- (d) When any share shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
- (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) A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of forfeiture but shall not be under any obligation to do so.

- (g) The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.
- (h) A duly verified declaration in writing that the declarant is a Director, the manager or the company secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.
- (i) The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest and claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those right as by these presents are expressly saved.
- (j) The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms and conditions as has been agreed to, between the parties.
- (k) 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.
- (l) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of.
- (m) The transferee shall thereupon be registered as the Shareholder and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
- (n) The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
- (o) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **19. CONVERSION OF SHARES INTO STOCK**

- (a) The Company may, by ordinary resolution in General Meeting may-
  - a. Convert any paid up Shares into stock; and
  - b. Reconvert any stock into paid up Shares of any denomination.
- (b) The holder of the stock may transfer the same or any part thereof in the same manner as, and subject to the Articles under which, the Share from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

- (c) The holders of the stock shall, according to the amount of stock held by them, have by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- (d) Such of the Articles of the Company (other than those relating to share warrants), as are applicable to paid up Shares shall apply to stock and the words “**Share**” and “**Shareholder**” in those Articles shall include “**stock**” and “**stockholder**” respectively

## **20. ISSUE OF BONUS SHARES**

The Company in its General Meeting may resolve to issue the bonus shares to its Members subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

## **21. PROCEEDINGS AT GENERAL MEETING**

- (a) The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its annual General Meeting, at the intervals and in accordance with the provisions of the Act. All General Meetings including annual General Meetings shall be convened by giving at least 21 (twenty one) days’ clear notice to Shareholders or to the authorised representative of the Shareholders in respect of each meeting of the Shareholders, in writing or through electronic mode in such manner as may be prescribed under the Act. However, with the consent of the Shareholders holding 95% (ninety five percent) of such part of the paid up Share Capital of the Company as gives a right to vote thereat, any General Meeting may be convened by giving a shorter notice than 21 (twenty one) days.
  - (i) All General Meetings other than annual General Meetings shall be called extraordinary General Meetings.
  - (ii) The quorum for the General Meeting shall be as prescribed in the Act.
  - (iii) The Board may, whenever it thinks fit, call an extraordinary General Meeting.
  - (iv) The Board shall, at the requisition made by such number of members who hold, on the date of the 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, call an extraordinary General Meeting of the Company within the period of 21 (twenty one) days from the date of receipt of a valid requisition.
  - (v) No business shall be transacted at any General Meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business.
  - (vi) The Chairman of the Board shall preside as chairman at every General Meeting.
  - (vii) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall elect one of the Directors to be the chairman of the meeting.
  - (viii) If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of the Shareholders to be the chairman of the meeting.
  - (ix) The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

- (x) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (xi) When a meeting is adjourned for 30 (thirty) days or more, notice of adjourned meeting shall be given as in the case of an original meeting.
- (xii) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
  - i. On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or a poll, the chairman shall have a second or casting vote.
  - ii. The chairman shall have a second or casting vote in a General Meeting.
  - iii. Any business other than that upon which poll has been demanded may be proceeded with, pending the taking of the poll.
  - iv. General Meetings shall be held in accordance with the provisions of the Act and these Articles of Association. Each Shareholder shall declare to the other Shareholder(s) any interest it has in a matter requiring its consent or on which it is intended to vote in the General Meeting.
  - v. The notice of each General Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the General Meeting.
  - vi. The Company shall cause minutes of all proceedings of every General Meeting, of any class of shareholders or creditors, and every resolution passed by postal ballot, to be kept in accordance with the provisions of Section 118 of the Act by preparing such minutes, within 30 (thirty) days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. 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 books 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 the Chairman within that period, by a Director duly authorized by the Board for that purpose, in no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.
- (b) All General Meetings, resolutions put to the vote at the meeting shall be decided in accordance with the Act. Each Shareholder shall have one vote for each Equity Share held by it, and all Shareholders' matters shall be decided in accordance with the Act and the provisions contained in these Articles of Association. Shareholders or their proxies must submit the proxy form, duly completed at or prior to each General Meeting and in accordance with the Act.
- (c) The books containing the aforesaid minutes shall be kept at the registered office and be open for inspection by any members without any charge, during 11.00 AM to 01.00 PM, to the inspection of any member, on all working days, except Saturdays and Sundays, without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 119 of the Act. Any member shall be entitled to be furnished, within 7 (seven) days after he had made a request in that behalf to the Company with a copy of the minutes on payment of Rs.10 per page or part of any page. Provided that a member who has made a request for provision of soft copy in respect of minutes of any previous General Meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.

## **22. VOTES OF MEMBERS**

- (a) Subject to the provisions of the Act:
  - (i) On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his share in the paid-up equity capital of the Company.
  - (ii) Every holder of a preference share in the capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Act:
- (b) Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act. A member may exercise his vote at a General Meeting by electronic means in accordance with Section 108 of the Act and rules prescribed under the Act, the Listing Regulations and shall vote only once.
- (c) In case of joint Shareholders, the vote of the senior who tenders the vote, whether in a person or in a proxy, shall be accepted to the exclusion of votes of the other joint Shareholders.
- (d) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.
- (e) Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member, or in regard to which the Company has exercised any right of lien.
- (f) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (g) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- (h) The instrument appointing proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of the poll, not less than 24 hours before the time appointed for the taking of the poll; and in the default the instrument of proxy shall not be treated as valid. One member shall be entitled to appoint only one proxy for his entire shareholding.
- (i) An instrument appointing proxy shall be in Form MGT-11 as provided in Rule 19 of the Companies (Management and Administration) Rules, 2014.
- (j) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting at which the proxy is used.

## **23. BOARD OF DIRECTORS**

- (i) 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). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

The first Directors of the Company are

- i. Mr. Gauri Shankar Agarwala;
- ii. Mr. Mohan Agarwal

Shri Mohan Agarwal shall be a director not liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determine by retirement of directors by rotation.

- (ii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (iii) The remuneration payable to the directors, including any managing or whole time Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in General Meeting.
- (iv) Subject to provisions contained in Section 197 of the Act, 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 Director(s)) the Board may arrange with such Directors 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 and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.
- (v) If it is provided by any trust deed, security or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director or Directors of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director or Directors accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons 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. A debenture director shall not if so agreed by the company be liable to retire by rotation; but shall automatically cease to hold office as a director if and when the debentures are fully discharged.
- (vi) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
  - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meeting of the Company; or
  - (b) in connection with the business of the Company.
- (vii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

- (viii) The Directors need not hold any qualification Share.
- (ix) The Company may exercise the powers conferred by the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board.
- (x) The Company may exercise the powers conferred on it by section of the Act with regard to a keeping of a foreign register; and the Board may (subject to the provision of those sections) make and vary such regulation as it may think fit respecting the keeping of such register.
- (xi) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instrument, and all receipts for money paid to Company, shall be signed drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and such manner as the Board shall from time to time by resolution determine.
- (xii) Every Director present at the meeting of the Board shall sign his name in the book to be kept for that purpose, and the company secretary or the Chairman shall record the presence of director present through video conferencing.
- (xiii) Subject to the provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a director in a General Meeting, as additional director or Directors. Such Additional Director shall hold office only up to the date of the next annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board under these Articles. Further, in accordance with the provisions of the Act, Board may appoint the alternate Directors and Nominee Directors.
- (xiv) Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those period of office is liable for determination of retirement by rotation, and their appointment shall, save as otherwise expressly provided in their presence, be in the General Meeting.
- (xv) **Circular Resolution:** Subject to as expressly provided in the Act, a resolution by circulation shall be as valid and effectual provided it is compliant with the secretarial standard on meetings of the Board of Directors as a resolution duly passed at a meeting of the Directors called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon.
- (xvi) **Participation through Video Conferencing: or other audio visual means:** In accordance with Rule 3 of the Companies (Meetings of Board and its Powers), Rules, 2014 and other applicable provisions, the Directors may participate in relevant meetings video conferencing or other audio visual means, provided that such Director, who desires to participate through video conferencing or other audio visual means, shall give prior intimation to that effect sufficiently in advance so that the Company is able to make suitable arrangements in that behalf. However, the Company shall not deal with the matters as prescribed under Rule 4 of the Companies (Meeting of Board and its Powers) Rules, 2014 through video conferencing or other audio visual means.
- (xvii) The Directors may, from time to time, at their discretion raise or borrow for the purpose of the Company's business such sum of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including the uncalled capital or by the issue, at such price as they may think fit, of bonds or debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.
- (xviii) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers of the Company, as the Company by its memorandum of

association or otherwise and to do such acts and things as are allowed under the Act, or any other Applicable Law, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles and memorandum of association the Company, the provisions of the act, or any other act and to such regulation being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting, shall invalidate any prior of the Board which would have being valid if that regulation had not been made.

- (xix) The Directors may, from time to time, accept deposits from Shareholders (either in advance of calls or otherwise) and from Persons and generally raise or borrow any sums of money for the purpose of the Company from the Shareholders or other Persons, or the Directors may themselves advance money to the Company on such interest as may be approved by the Board.
- (xx) The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respect as they deem fit and in particular by the issue of debentures, bonds of the Company or any mortgage, charge hypothecation, pledge, lien or other security of all or any part or portion of the property of the Company and the uncalled for the time being.
- (xxi) The Directors, may grant retiring Persons, pension or annuities or other allowances, including allowance on death to any Person or to the widow or dependents of any Person in respect of services rendered by him to the Company as managing directors, manager or as an officer, or employee of the Company or of any subsidiary company or of its holding company (if any) notwithstanding that he may have been a Director and may make any payments toward insurance or trusts for such purpose in respect of such pensions, annuities and allowances in terms of engagement of such Persons.
- (xxii) Subject to the provision of the Act and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the financing company or body or financing corporation or credit corporation or bank or any insurance corporation (each such financing company or body of financing corporation of credit corporation or any insurance corporation is herein after referred to as financial institution) out of any loans granted by the financial institution to the Company or so long as the financial institution hold Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial institution on behalf of the Company remains outstanding the financing institution shall have a right to appoint from time to time, its nominee/s as a Director or Directors (which Director or Directors is/are hereinafter referred to as nominee Director/s) on the Board of the Company and to remove from such office the nominee Director/s so appointed, and the time of removal and also in the case of death or resignation of the nominee Director/s appointed at any time appoint any other Person/Persons in his/her place and also fill any vacancy which may occur as a result of such Director/ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the financial institution appointing such nominee Director/s and shall be delivered to the Company at its registered office.
- (xxiii) Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to time any one or more of its Directors as managing directors, deputy managing directors, whole time directors of the Company in accordance with the provisions of the Act and upon such terms and conditions as the Board think fit, the Board may by resolution vest in such managing director/s or deputy managing director/s or whole time director/s such of the powers hereby vested in the Board generally as it thinks fit, as such power may be exercisable for such conditions and subject to such restriction as it may determine. The remuneration of managing director/s, deputy managing director/s and whole time director/s may be by way of monthly payment, fee for each meeting or participation in profits, or by all or any these modes or any other mode not expressly prohibited by the Act.
- (xxiv) The managing director and deputy managing director shall not, while he continues to hold that office, be subject to retirement by rotation and if he ceases to hold the office of the Director, he shall and immediately cease to be the managing director and deputy managing director, as the case may be.



- (xxv) A Director may be paid a sitting fee for each meeting of the Board or committee of the Board attended by him in accordance with the provisions of the Act. It is further provided that the directors may be paid different sitting for physical Board Meeting and meeting through video conferencing.
- (xxvi) Subject to the provisions of Section 161(4), 169(7) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date upto which the Director in whose place he is so appointed would have held the office if it had not been vacated. Provided that, where a vacancy is created by removal of a director, the director who was removed from office shall not be re-appointed as the director by the Board.
- (xxvii) Vacation of Office of Director: The office of the Director shall ipso facto become vacant if at any times he commits any of the acts set out in the Section 167 of the Act.
- (xxviii) Subject to the applicable provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Board.

## **24. PROCEEDINGS OF BOARD MEETINGS/ COMMITTEE**

- (a) The Board of Directors shall meet at least four times in a year for the dispatch of business, adjourn and otherwise regulate its meeting and proceeding as it thinks fit provided that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

Subject to requirements of notice as prescribed in these Articles, the managing director or the Chairman, or the company secretary of the Company or any other officer as may be authorized in this regard, may at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director, inter-alia through email.

- (b) The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
- (c) At least seven Business Days written notice shall be given to each of the Directors including the alternate Directors in respect of each meeting of the Board, at the address notified from time to time by each Director of the Company, or through e-mail at their registered e-mail id. Provided that a meeting of the Board may be called at shorter notice, in accordance with the Act, to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting.

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

- (d) The notice of each Board Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the Board Meeting. Notice of the Board Meeting shall be sent at least 7 (seven) days in advance to each of the Directors.
- (e) Minutes of each meeting of the Board shall be recorded in English and kept by the Company in accordance with Applicable Law.

- (f) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of the votes.
- (g) The chairman of the Board (“**Chairman**”) shall be one of the Directors appointed by the Board for the purpose of the Board Meeting. The Chairman shall have a second or casting vote.
- (h) If no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- (i) Subject to the provisions of the Act and related regulations, the Board may from time to time, constitute committees of the Board and may determine their functions, powers, authorities and responsibilities. Such a committee may elect a chairman of its meetings and if no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the appointed time for the meeting, the members present may choose one of their members as the Chairman for that meeting.
- (j) All acts done by any meeting of the Board or of a committee thereof or by any Person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such Directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.
- (k) Subject to the provisions of the Act and other provisions of these Articles-
  - (i) A manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any manager or secretary so appointed may be removed by the Board;
  - (ii) A Director may be appointed as manager or secretary.
- (l) A provision of the act, or these Articles requiring or authorizing a thing to be done by or to a Director or a manager or secretary shall not be satisfied by its being done by or to some Person acting both as Director and as or in the place of, the manager or secretary.

## 25. REMOVAL OF DIRECTORS

- (i) The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office, by passing an ordinary resolution.
- (ii) Special notice as provided by Section 115 of the Act shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (iii) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (iv) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to members of the Company, the Company shall unless the representation is received by it too late for it to do (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made and (b) send a copy of the representation to every member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person

who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

- (v) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (vi) If the vacancy is not filled under clause (e) it may be filled as casual vacancy in accordance with the provisions (in so far they are applicable) of the Act.
- (vii) A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.
- (viii) Nothing contained in this Article shall be taken:
  - (i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment terminating with that as Director, or
  - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

## **26. SHAREHOLDER MEETINGS**

### **26.1 Frequency and Location**

Subject to the provisions of the Act, the Company shall hold at least 1 (one) General Meeting in any given calendar year within 6 (six) months following the end of the previous Financial Year. All General Meetings shall be governed by Applicable Laws, the provisions of these Articles and Memorandum of Association. All other General Meetings, other than the Annual General Meeting shall be extraordinary General Meetings. Annual General Meeting and extraordinary General Meetings will be held at the registered office of the Company or subject to Applicable Laws.

### **26.2 Venue, Day and Time for holding General Meeting**

- 26.2.1.1.1 Every Annual General Meeting / Extra Ordinary General Meeting shall be called during such hours, on such day, at such place and in such manner as may be prescribed under the Act.
- 26.2.1.1.2 Every Member of the Company shall be entitled to attend the 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 a General Meeting in which any business is conducted which concerns him as Auditor. The Directors are also entitled to attend the General Meeting.

26.3 In case an extraordinary general meeting is called on requisition, upon the receipt of 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.

- (a) An extraordinary general meeting called by the requisitionists shall be called in the same manner, as nearly as possible, as that in which a meeting is called by the Board.
- (b) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

- (c) 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.
- (d) The General Meeting called under this Article shall be subject to and will be held in accordance with the provisions contained under the Act.

#### **26.4 Notice**

Prior written notice of at least 21 (twenty one) clear days for a General Meeting shall be given to all Shareholders of the Company, provided however, that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act. All notices for General Meetings shall be issued in compliance with Applicable Laws and shall be accompanied by an agenda setting out the particulars of the businesses proposed to be transacted at such meeting including disclosure of interests of Directors and such other Persons as prescribed under Applicable Law, in the business proposed to be transacted at such meeting.

#### **26.5 Quorum**

The quorum for a General Meeting shall be constituted by the presence, “in Person”, of such number of Shareholders as required under the Act. If, within half-an-hour of the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned and reconvened for the date that falls 7 (seven) Business Days after such adjourned meeting at the same time and place, or to such other date and such other time and place as determined by the Board, it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the same as required for the original meeting. At the said adjourned General Meeting, if the quorum is not present within half-an-hour from the time appointed for the said adjourned General Meeting, the members present shall constitute a valid quorum.

#### **26.6 Voting**

- 26.6.1 Subject to the provisions of the Act, a Shareholder shall be entitled to exercise its right to vote at General Meetings by proxy and/or by an authorized representative, and such proxy or authorized representative need not be a Shareholder.
- 26.6.2 Subject to Applicable Law, all decisions of the Shareholders shall be made by ordinary or special resolutions, as required under the Act.

#### **26.7 Adoption of Financial Statements**

The Board shall provide the audited Financial Statements (consolidated and unconsolidated) of the Company’s previous Financial Year to all Shareholders in accordance with the Act before the Annual General Meeting is held to approve and adopt the audited Financial Statements, unless shorter notice consent has been granted by the Members.

### **27. DIVIDEND**

- 27.1 The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 27.2 Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
- 27.3 The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it think fit as a reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

- 27.4 The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 27.5 Subject to the rights of persons, if any, entitled to shares with special right as to dividends, all dividend shall be declared and paid accordingly to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amount of the shares.
- 27.6 No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- 27.7 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 27.8 The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 27.9 The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
- 27.10 Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holder who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- 27.11 Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 27.12 Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- 27.13 Any one of two or more joint holders of a share may give effective receipts for any dividend, bonuses or other monies payable in respect of such shares.
- 27.14 No dividend shall bear interest against the Company.
- 27.15 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## **28. UNPAID OR UNCLAIMED DIVIDEND**

- 28.1 Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within 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 "Unpaid Dividend Account".
- 28.2 Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act.
- 28.3 No unclaimed or unpaid dividend shall be forfeited by the Board.

## **29. WINDING UP**

Subject to the applicable provisions of the Act and rules made thereunder, if the company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets may be divided by the liquidator, with the sanction of a special resolution of the Company, and any other sanction required by the Act, amongst the members in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

For the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.

## **30. CAPITALISATION OF PROFITS**

- (a) The Company in General Meeting may, upon the recommendation of the Board, resolve:
  - (i) 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 account, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (ii) That such sum be accordingly set free for distribution amongst the Shareholders who would have been entitled thereto, if distributed in the way of dividend and in the same proportions.
- (b) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
  - 28.3.1.1.1 Make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares if any; and.
  - 28.3.1.1.2 Generally do all acts and things required to give effect thereto.
- (c) Subject to the provision of Section 139 of the Act,
  - (i) The Company shall at each annual general meeting appoint an auditor or auditors to hold from the conclusion of the meeting until conclusion of the next annual general meeting.
  - (ii) Rights and duties of the auditors shall be regulated in accordance with Section 143 of the Act.
  - (iii) Once at least in every year accounts of the Company shall be audited and correctness of the final accounts be ascertained by one or more auditor or auditors.
  - (iv) Every account of the Company when audited and approved by a General Meeting shall be conclusive.

## **31. MISCELLANEOUS**

### **INDEMNITY**

Subject to provisions of the Act, the Chairman, Directors, Auditors, Managing Directors and other officer for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and funds of the Company from or against all bonafide suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or about the execution of their duties in their respective offices except those done through their wilful neglects or

defaults of any other officer or trustee. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

**(a) General Authority**

Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.

**(b) Common Seal**

- (i) The directors shall provide a common seal for the purpose 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 directors shall provide for safe custody of the Seal. The Seal shall not be affixed to any instrument, if so required except by authority of resolution of the Board or a committee of the Board authorised by it in that behalf and except in the presence of at least 1 (one) Director and that 1 (one) Director shall sign every instrument to which the seal of the Company is so affixed in his presence. Share certificates will, however, be signed and sealed in accordance with Rule 5(3) of Companies (Share Capital and Debentures) Rules, 2014.
- (ii) Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Act or any statutory modification thereof for the time being in force.
- (iii) The Company shall also be at liberty to have an official seal in accordance with the Act for use in any territory, district or place outside India and such power shall accordingly be vested in the directors or by or under the authority of the directors granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

**32. SECRECY**

No Shareholder shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's secret process or any other matter which is or may be in the nature of a trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

**33. ALTERATION IN ARTICLES OF ASSOCIATION**

The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

**PART B**

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the shareholders' agreements executed with certain shareholders of our Company. For more details on the shareholders' agreements, see "*History and Corporate Structure – Summary of Key Agreements*" on page 148.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.*

#### 1. Material Contracts for the Offer

- (i) Offer Agreement dated June 11, 2018 between our Company, the Selling Shareholders and the BRLMs.
- (ii) Registrar Agreement between our Company, the Selling Shareholders and the Registrar to the Offer dated June 7, 2018.
- (iii) Cash Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Escrow Collection Bank(s), Refund Banker and Public Offer Bank(s).
- (iv) Share Escrow Agreement dated [●] between the Selling Shareholders, our Company, the BRLMs and the Escrow Agent.
- (v) Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
- (vi) Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.
- (vii) Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

#### 2. Material Documents

- (i) Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
- (ii) Original certificate of incorporation dated July 25, 1994 issued by the RoC in the name of 'Bhairav Leasing and Finance Private Limited'.
- (iii) Fresh certificate of incorporation dated May 31, 2005 issued by the RoC upon change of name from 'Bhairav Leasing and Finance Private Limited' to 'Century Aluminium Industries Private Limited'.
- (iv) Fresh certificate of incorporation dated April 23, 2006 issued by the RoC upon change of name from 'Century Aluminium Industries Private Limited' to 'Century Metal Recycling Private Limited'.
- (v) Fresh certificate of incorporation dated April 2, 2018 consequent upon conversion from private company to public company.
- (vi) Resolutions of the Board of Directors dated May 8, 2018 in relation to the Offer.
- (vii) Shareholders' resolution dated May 11, 2018 in relation to the Offer.
- (viii) Approval by way of letter dated June 6, 2018 and board resolution dated June 5, 2018 of Global Scrap Processors Limited participating in the Offer for Sale.
- (ix) Consent letter dated, each dated June 4, 2018, from the Promoter Selling Shareholders in relation to the sale of their respective portion of Equity Shares in the Offer.



- (x) Consent letters dated, each dated June 4, 2018, from the Promoter Group Selling Shareholders in relation to the sale of their respective portion of Equity Shares in the Offer.
- (xi) Consent dated April 30, 2018 by GE Safety and Engineering Services, Chartered Engineers, to include their name as an expert in relation to certifying the installed and utilised capacities of our Manufacturing Facilities, included in this Draft Red Herring Prospectus.
- (xii) Letter dated May 7, 2018 issued by Global Scrap Processors Limited pursuant to which it agreed to waive its right to exercise put option on our Company and the Promoters and Promoter Group.
- (xiii) Resolution passed at the meeting of the Board on May 8, 2018, in relation to the terms of appointment of the Chairman and Executive Director, Gauri Shankar Agarwala.
- (xiv) Resolution passed at the meeting of the Board on June 25, 2014, in relation to the terms of appointment of the Managing Director, Mohan Agarwal
- (xv) Appointment letter dated June 7, 2017, in relation to the terms of appointment of Akshay Agarwal, Whole-time Director, who is also the General Manager, Materials in our Company.
- (xvi) The examination reports dated June 4, 2018 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
- (xvii) The report on the Proforma Financial Statements dated June 4, 2018 included in this Draft Red Herring Prospectus.
- (xviii) Copies of the annual reports of our Company for the Fiscals 2013, 2014, 2015, 2016 and 2017.
- (xix) Statement of Tax Benefits dated June 8, 2018 from the Statutory Auditor.
- (xx) Consent of the Directors, the BRLMs, the Syndicate Members, Legal Counsel to the Offer as to Indian Law Registrar to the Offer, Escrow Collection Bank(s), Refund Banker, Public Offer Bank(s), Bankers to our Company, Monitoring Agency, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (xxi) Consent letter dated June 11, 2018 of the Statutory Auditor to include their name in relation to (i) their report dated June 4, 2018 on the Restated Consolidated Financial Statements; (ii) the report dated June 4, 2018 on the Restated Unconsolidated Financial Statements; (iii) the report dated June 4, 2018 on the Proforma Financial Statements; and (iv) the Statement of Tax Benefits dated June 8, 2018, included in this Draft Red Herring Prospectus.
- (xxii) Consent letter dated May 11, 2018 from CRISIL Research.
- (xxiii) Due Diligence Certificate dated June 11, 2018 addressed to SEBI from the BRLMs.
- (xxiv) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- (xxv) Tripartite agreement dated June 1, 2018 between our Company, NSDL and the Registrar to the Offer.
- (xxvi) Tripartite agreement dated June 5, 2018 between our Company, CDSL and the Registrar to the Offer.
- (xxvii) Investment Agreement dated September 24, 2013, as amended by the amendment to the investment agreement dated June 6, 2018, along with the waiver letter dated June 6, 2018 issued by Goal Scrap Processors Limited.
- (xxviii) Share Sale and Purchase Agreement dated January 20, 2018, as amended by the SPA Amendment Agreement dated May 8, 2018 and the CCPS Conversion Letter dated May 29, 2018 issued by the Company to Global Scrap Processors Limited.
- (xxix) Joint venture agreement dated September 4, 2012 between our Company and Toyota Tsusho Corporation.

(xxx) Joint venture agreement dated July 25, 2012 entered into between our Company and Nikkei Aluminium MC Company Limited.

(xxxi) SEBI observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India and the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement or disclosure made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

**Gauri Shankar Agarwala**  
(Chairman and Executive Director)

---

**Mohan Agarwal**  
(Managing Director)

---

**Akshay Agarwal**  
(Whole-time Director)

---

**Peter Francis Amour**  
(Non Executive Nominee Director)

---

**Vegulaparanan Kasi Viswanathan**  
(Independent Director)

---

**Nina Chatrath**  
(Independent Director)

---

**Balvinder Kumar**  
(Independent Director)

---

**Gyanmohan**  
(Independent Director)

---

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

---

**Satish Kaushik**  
Chief Financial Officer

Date: June 11, 2018  
Place: Faridabad

## **DECLARATION**

The undersigned Promoter Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus about or in relation to himself and the Equity Shares being offered and sold by him in the Offer for Sale are true and correct.

**SIGNED BY GAURI SHANKAR AGARWALA**

---

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus about or in relation to himself and the Equity Shares being offered and sold by him in the Offer for Sale are true and correct.

**SIGNED BY MOHAN AGARWAL**

---

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by her in this Draft Red Herring Prospectus about or in relation to herself and the Equity Shares being offered and sold by her in the Offer for Sale are true and correct.

**SIGNED BY KALAWATI AGARWAL**

---

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by her in this Draft Red Herring Prospectus about or in relation to herself and the Equity Shares being offered and sold by her in the Offer for Sale are true and correct.

**SIGNED BY PRATIBHA AGARWAL**

---

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Group Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered and sold by it in the Offer for Sale are true and correct. The undersigned Promoter Group Selling Shareholder assumes no responsibility for any other statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF THE PROMOTER GROUP SELLING SHAREHOLDER**

---

**FOR GAURI SHANKAR AGARWALA HUF**

Authorised Signatory

Date: June 11, 2018

Place: Faridabad



## **DECLARATION**

The undersigned Promoter Group Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered and sold by it in the Offer for Sale are true and correct. The undersigned Promoter Group Selling Shareholder assumes no responsibility for any other statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF THE PROMOTER GROUP SELLING SHAREHOLDER**

---

**FOR MOHAN AGARWAL HUF**

Authorised Signatory

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Group Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered and sold by it in the Offer for Sale are true and correct. The undersigned Promoter Group Selling Shareholder assumes no responsibility for any other statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF THE PROMOTER GROUP SELLING SHAREHOLDER**

---

**FOR SANJIVANI NON FERROUS TRADING PRIVATE LIMITED**

Authorised Signatory

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Promoter Group Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered and sold by it in the Offer for Sale are true and correct. The undersigned Promoter Group Selling Shareholder assumes no responsibility for any other statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF THE PROMOTER GROUP SELLING SHAREHOLDER**

---

**FOR GRAND METAL RECYCLING PRIVATE LIMITED**

Authorised Signatory

Date: June 11, 2018

Place: Faridabad

## **DECLARATION**

The undersigned Investor Selling Shareholder hereby certifies that all statements, disclosures and undertakings specifically made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered by it in the Offer for Sale are true and correct. The undersigned Investor Selling Shareholder assumes no responsibility for any other statements, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF THE INVESTOR SELLING SHAREHOLDER**

---

**AUTHORISED SIGNATORY FOR GLOBAL SCRAP PROCESSORS LIMITED**

Date: June 11, 2018

Place: