



## CHARTERED SPEED LIMITED

Chartered Speed Limited (“Company” or “Issuer”) was originally incorporated as ‘Chartered Speed Private Limited’, a private limited company under the Companies Act, 1956 on May 22, 2007 at Ahmedabad and the Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, at Ahmedabad (“RoC”). Subsequently, our Company was converted to a public company pursuant to a special resolution passed by our shareholders on August 23, 2018 and consequently, the name of our Company was changed to ‘Chartered Speed Limited.’ A fresh certificate of incorporation consequent upon change of name upon conversion into public company was issued by the RoC on September 10, 2018. For details of change in the name and Registered Office of our Company, see “History and Certain Corporate Matters” on page 167 of this Draft Red Herring Prospectus.

**Registered Office:** Sarkhej – Bavla Highway, Sanathal, Sarkhej, Ahmedabad – 382 210, Gujarat, India. **Telephone:** +91 99 798 89920; **Fax:** Not available

**Contact Person:** Nirav Prakashchandra Patel, Company Secretary and Compliance Officer

**E-mail:** cs@chartered-speed.com; **Website:** www.chartered-speed.com

**Corporate Identity Number:** U63030GJ2007PLC050923

### PROMOTERS OF OUR COMPANY: PANKAJ KUMAR GANDHI AND ALKA PANKAJ GANDHI

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ 2,730.00 MILLION (“OFFER”). THE OFFER COMPRISES A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,250.00 MILLION (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 480.00 MILLION BY THE SELLING SHAREHOLDERS BEING THE PROMOTERS, INCLUDING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 240.00 MILLION BY PANKAJ KUMAR GANDHI AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 240.00 MILLION BY ALKA PANKAJ GANDHI (“OFFER FOR SALE”). THE OFFER SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND AHMEDABAD EDITION OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (“SEBI ICDR REGULATIONS”), AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”), AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

### THE FACE VALUE OF EACH EQUITY SHARE IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members, and by intimation to Self Certified Syndicate Banks (“SCSBs”), Registered Brokers, Registrar and Transfer Agents (“RTA”), and Collecting Depository Participants (“CDP”).

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 41 of the SEBI ICDR Regulations. 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 Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to 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 mandatorily required to participate in the Offer through an Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account which will be blocked by the SCSBs to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 385 of this Draft Red Herring Prospectus.

### RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and Selling Shareholders in consultation with the BRLM as stated under “Basis for Offer Price” on page 105 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 19 of this Draft Red Herring Prospectus.

### COMPANY AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this 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, the Selling Shareholders, accept responsibility that this Draft Red Herring Prospectus contains all information about them as Selling Shareholder in the context of the Offer for Sale and further severally assume responsibility for statements in relation to them included in this Draft Red Herring Prospectus and the Equity Shares offered by them in the Offer and that such statements are true and correct in all material respects and not misleading in any material respect.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an ‘in-principle’ approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the 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 “Material Contracts and Documents for Inspection” on page 454 of this Draft Red Herring Prospectus.

### BOOK RUNNING LEAD MANAGER



#### EQUIRUS CAPITAL PRIVATE LIMITED

12<sup>th</sup> Floor, C Wing, Marathon Futurex  
NM Joshi Marg, Lower Parel  
Mumbai – 400 013, Maharashtra, India.  
**Telephone:** +91 22 4332 0600; **Fax:** +91 22 4332 0601  
**E-mail:** csl ipo@equirus.com

**Investor Grievance E-mail:** investorsgrievance@equirus.com

**Website:** www.equirus.com

**Contact Person:** Ankesh Jain / Gaurav Phadke

**SEBI Registration No.:** INM000011286

### REGISTRAR TO THE OFFER



#### LINK INTIME INDIA PRIVATE LIMITED

C-101, 1st Floor, 247 Park  
Lal Bahadur Shastri Marg, Vikhroli (West)  
Mumbai – 400 083, Maharashtra, India.  
**Telephone:** +91 22 4918 6200; **Fax:** +91 22 4918 6195  
**E-mail:** chartered-speed.ipo@linkintime.co.in

**Website:** www.linkintime.co.in

**Investor Grievance E-mail:** chartered-speed.ipo@linkintime.co.in

**Contact Person:** Shanti Gopalkrishnan

**SEBI Registration No.:** INR000004058

### BID/OFFER PROGRAMME

BID/OFFER OPENS ON\*

[●]

BID/OFFER CLOSSES ON\*

[●]

\* Our Company and the Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company and the Selling Shareholders may, in consultation with the BRLM, 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.

## CONTENTS

|   |     |
|---|-----|
| <b>SECTION I – GENERAL</b> .....  | 1   |
| DEFINITIONS AND ABBREVIATIONS .....   | 1   |
| CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION..... | 14  |
| FORWARD-LOOKING STATEMENTS .....  | 17  |
| <b>SECTION II – RISK FACTORS</b> .....  | 19  |
| <b>SECTION III – INTRODUCTION</b> .....   | 43  |
| SUMMARY OF INDUSTRY .....   | 43  |
| SUMMARY OF BUSINESS .....   | 49  |
| SUMMARY OF FINANCIAL INFORMATION.....   | 57  |
| THE OFFER .....   | 71  |
| GENERAL INFORMATION .....   | 73  |
| CAPITAL STRUCTURE .....   | 82  |
| OBJECTS OF THE OFFER .....  | 93  |
| BASIS FOR OFFER PRICE.....  | 105 |
| STATEMENT OF TAX BENEFITS .....   | 109 |
| <b>SECTION IV – ABOUT THE COMPANY</b> .....   | 112 |
| INDUSTRY OVERVIEW .....   | 112 |
| OUR BUSINESS .....  | 144 |
| KEY REGULATIONS AND POLICIES .....  | 162 |
| HISTORY AND CERTAIN CORPORATE MATTERS .....   | 167 |
| OUR SUBSIDIARIES .....  | 171 |
| OUR MANAGEMENT .....  | 174 |
| OUR PROMOTERS AND PROMOTER GROUP .....  | 190 |
| OUR GROUP COMPANIES .....   | 194 |
| RELATED PARTY TRANSACTIONS .....  | 201 |
| DIVIDEND POLICY .....   | 202 |
| <b>SECTION V – FINANCIAL INFORMATION</b> .....  | 203 |
| FINANCIAL STATEMENTS .....  | 203 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....         | 310 |
| SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS .....                             | 344 |
| FINANCIAL INDEBTEDNESS .....  | 350 |
| <b>SECTION VI – LEGAL AND OTHER INFORMATION</b> .....   | 354 |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....  | 354 |
| GOVERNMENT AND OTHER APPROVALS .....  | 359 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES .....  | 362 |
| <b>SECTION VII – OFFER RELATED INFORMATION</b> .....  | 376 |
| TERMS OF THE OFFER .....  | 376 |
| OFFER STRUCTURE .....   | 382 |
| OFFER PROCEDURE .....   | 385 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....  | 433 |
| <b>SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....                              | 434 |
| <b>SECTION IX – OTHER INFORMATION</b> .....   | 454 |
| <b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</b> .....  | 454 |
| DECLARATION .....   | 456 |

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.*

#### General Terms

| Term  | Description   |
|---|---|
| “our Company”, “the Company”, “the Issuer” or “Chartered Speed” | Chartered Speed Limited, a company incorporated under the Companies Act, 1956, having its registered office at Sarkhej-Bavla Highway, Sanathal, Sarkhej, Ahmedabad – 382 210, Gujarat, India. |
| “we”, “us”, or “our”  | Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries.  |

#### Company Related Terms

| Term                                      | Description  |
|---|--|
| Articles / Articles of Association / AoA  | Articles / Articles of Association of our Company, as amended from time to time.   |
| 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. For details, see “ <i>Our Management</i> ” on page 174 of this Draft Red Herring Prospectus. |
| Auditors / Statutory Auditors             | Statutory auditors of our Company, namely, Mukesh M. Shah & Co., Chartered Accountants.  |
| Board / Board of Directors                | Board of directors of our Company or a duly constituted committee thereof.   |
| Chief Financial Officer / CFO             | Deen Bandhu Gaggar, the Chief Financial Officer of our Company.  |
| Company Secretary and Compliance Officer  | Nirav Prakashchandra Patel, the Company Secretary and the Compliance Officer of our Company.   |
| 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.   |
| 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.   |
| Executive Directors                       | Executive directors of our Company.  |
| Group Companies                           | Companies which are covered under the applicable accounting standards and other companies considered material by our Board. For details, see “ <i>Our Group Companies</i> ” on page 194 of this Draft Red Herring Prospectus.  |
| Independent Director(s)                   | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.   |

| <b>Term</b>   | <b>Description</b>  |
|---|---|
| IPO Committee   | The committee of our Company constituted pursuant to a resolution passed by our Board on September 10, 2018 to facilitate the process of the Issue, as described in “ <i>Our Management</i> ” on page 174 of this Draft Red Herring Prospectus.   |
| Key Management Personnel / KMP  | Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 174 of this Draft Red Herring Prospectus.  |
| Memorandum of Association / MoA   | Memorandum of association of our Company, as amended from time to time.   |
| Nomination and Remuneration Committee   | The committee of the Board of directors reconstituted 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.   |
| Non-executive Directors   | Non-executive directors of our Company.   |
| Promoters   | The promoters of our Company, namely, Pankaj Kumar Gandhi and Alka Pankaj Gandhi.<br><br>For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 190 of this Draft Red Herring Prospectus.   |
| Promoter Group  | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 190 of this Draft Red Herring Prospectus.  |
| Registered Office   | The registered office of our Company located at Sarkhej-Bavla Highway, Sanathal, Sarkhej, Ahmedabad – 382 210, Gujarat, India.  |
| Registrar of Companies/ RoC   | Registrar of Companies, Gujarat at Ahmedabad situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.  |
| Restated Consolidated Financial Information/ Restated Consolidated Financial Statements | Restated consolidated financial statements of our Company for the Fiscals 2018, 2017 and 2016 prepared in accordance with Ind AS and for the Fiscals 2015 and 2014 prepared in accordance with Indian GAAP and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.<br><br>The restated consolidated financial information for the Fiscal 2016 is referred to as “the Proforma Ind AS Restated Consolidated Financial Information” as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.<br><br>For details, see “ <i>Financial Statements</i> ” on page 203 of this Draft Red Herring Prospectus. |
| Restated Financial Statements / Restated Financial Information                          | Collectively, the Restated Standalone Financial Information and Restated Consolidated Financial Information.  |
| Restated Standalone Financial Information/ Restated Standalone Financial Statements     | Restated standalone financial statements of our Company for the Fiscals 2018, 2017 and 2016 prepared in accordance with Ind AS and for the Fiscals 2015 and 2014 prepared in accordance with Indian GAAP and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.<br><br>The restated standalone financial information for the Fiscal 2016 is referred to as “the Proforma Ind AS Restated Standalone Financial Information” as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.<br><br>For details, see “ <i>Financial Statements</i> ” on page 203 of this Draft Red Herring Prospectus.       |

| <b>Term</b>                          | <b>Description</b>  |
|--------------------------------------|---|
| Selling Shareholders                 | Pankaj Kumar Gandhi and Alka Pankaj Gandhi.   |
| Shareholders                         | Shareholders of our Company, from time to time.   |
| 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:<br>1. Chartered Bus Private Limited; and<br>2. Chartered Bike Private Limited.<br>For details, see "Our Subsidiaries" beginning on page 171 of this Draft Red Herring Prospectus. |

### Offer Related Terms

| <b>Term</b>   | <b>Description</b>   |
|---|--|
| Acknowledgement Slip  | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid Cum Application Form.   |
| Allot/Allotment/Allotted  | Unless the context otherwise requires, the issue and 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 each successful Bidder 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(s)  | A Qualified Institutional Buyer, applying under the Anchor Investor portion for a minimum Bid of at least ₹ 100 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 Selling Shareholders in consultation with the BRLM in 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 / Anchor Investor Bidding Date | 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 BRLM 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 Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM.                                |
| Anchor Investor Portion   | Up to 60% of the QIB Portion, consisting of up to [●] Equity Shares, which may be allocated by our Company in consultation with the BRLM, 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.   |

| <b>Term</b>                    | <b>Description</b>  |
|--------------------------------|---|
| 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.   |
| Banker(s) to the Offer         | Escrow Collection Bank(s), Refund Bank(s) and Public Offer Bank(s).   |
| 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 385 of this Draft Red Herring Prospectus.  |
| Bid(s)                         | 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 of the ASBA Bidder, as the case may be, upon submission of the Bid.  |
| Bid cum Application Form       | The Anchor Investor Application Form or the ASBA Form, as the context requires.   |
| Bid Lot                        | [●] Equity Shares.  |
| Bid/ Offer Closing Date        | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Ahmedabad editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), and in case of any revision, the extended Bid/ Offer Closing Date in consonance with the SEBI ICDR Regulations.<br><br>Our Company and the Selling Shareholders, in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. |
| 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 all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Ahmedabad editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), and in case of any revision, the extended Bid/ Offer Opening Date in consonance with the SEBI ICDR Regulations.   |
| 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.  |
| 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 Branches for SCSBs, Specified Locations for members of the 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 and as amended from time to time, in terms of which the Offer is being made.   |
| BRLM/Book Running Lead Manager | The book running lead manager to the Offer, being Equirus Capital Private Limited.  |
| Broker Centres                 | Broker centres notified by the Stock Exchanges, where 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   |

| <b>Term</b>                                   | <b>Description</b>  |
|---|---|
|   | respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) and are updated from time to time.   |
| 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.   |
| 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 dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Collection Bank, the Refund Banker and the Public Offer Bank 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.   |
| Client ID                                     | Client identification number maintained with one of the Depositories in relation to demat account.  |
| Collecting Depository Participant(s) / 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 BRLM, 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 Selling Shareholders in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs 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 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">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).   |
| Designated Date                               | The date on which the funds are transferred by the Escrow Collection Bank 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 Bid cum Application Forms from the Bidders, in relation to the Offer.   |
| 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">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</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="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.   |
| Designated Stock Exchange                     | [●]   |

| <b>Term</b>                          | <b>Description</b>   |
|--------------------------------------|--|
| Draft Red Herring Prospectus or DRHP | This draft red herring prospectus dated September 27, 2018 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars, including of the DRHP price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda 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) opened for the Offer with the Escrow Collection Bank and in whose favour the Anchor Investors may issue or transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.  |
| Escrow Agent                         | [●]  |
| Escrow Agreement                     | Agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM and the Banker(s) to the Offer for collection of the Bid Amounts and where applicable, remitting refunds, if any, on the terms and conditions thereof.  |
| Escrow Collection Bank               | 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 [●].   |
| Equity Listing Agreements            | The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.  |
| 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 will be finalised and below which no Bids will be accepted.  |
| Fresh Issue                          | The fresh issue of up to [●] Equity Shares aggregating up to ₹ 2,250.00 million by our Company.  |
| General Information Document/ GID    | The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015, (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI and included in the section titled “Offer Procedure” on page 385 of this Draft Red Herring Prospectus. |
| 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.   |
| Monitoring Agency                    | The monitoring agency appointed to monitor the utilisation of Net Proceeds from the Fresh Issue in terms of Regulation 16 of the SEBI ICDR Regulations, being [●].   |
| Monitoring Agency Agreement          | The agreement dated [●], to be entered into between our Company and the Monitoring Agency, in relation to the responsibilities and obligations of the Monitoring Agency.   |
| Mutual Fund                          | 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 “Objects of the Offer” on page 93 of this Draft Red Herring Prospectus.  |
| Net QIB Portion                      | The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.   |
| Non-Institutional Bidders            | All Bidders, including Category III FPIs 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).  |

| <b>Term</b>               | <b>Description</b>  |
|---------------------------|---|
| 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 to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.  |
| Non-Resident/ NR          | A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.  |
| Non-Resident Indian/NRI   | A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.   |
| Offer                     | Public issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ 2,730.00 million, comprising of the Fresh Issue and the Offer for Sale.  |
| Offer Agreement           | The agreement dated September 27, 2018 between our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.   |
| Offer for Sale            | The offer for sale of up to [●] Equity Shares by the Selling Shareholders aggregating to up to ₹ 480.00 million, comprising of such number of Equity Shares by each of the Selling Shareholders as set out in the section titled “ <i>The Offer</i> ” on page 71 of this Draft Red Herring Prospectus.  |
| 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 Selling Shareholders in consultation with the BRLM, 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 our 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 “ <i>Objects of the Offer</i> ” on page 93 of this Draft Red Herring Prospectus.  |
| 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.<br><br>The Price Band and minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLM and will be advertised, at least five (5) Working Days prior to the Bid/Offer Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Ahmedabad editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located). |
| Pricing Date              | The date on which our Company and the Selling Shareholders in consultation with BRLM will finalise the Offer Price.   |
| 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 opened with the Public Offer Bank 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         | Bank 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, being not more than 50% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price.   |

| <b>Term</b>                                  | <b>Description</b>  |
|--|---|
| QIB Bid Closing Date                         | In the event our Company, in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid Closing Date, the date which is one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.  |
| 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.<br><br>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or 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 SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.  |
| Registrar Agreement                          | The registrar agreement dated September 21, 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.   |
| Registrar to the Offer/Registrar             | Registrar to the Offer, in this case being Link Intime India Private Limited.   |
| Retail Individual Bidders(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, available for allocation to Retail Individual Bidders as per 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.<br><br>Kindly note that 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 Syndicate Banks or SCSBs      | The banks registered with SEBI, offering services in relation to ASBA, a list of which is available in the section titled Recognised Intermediaries on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other website as may be prescribed by SEBI from, time to time.   |
| Share Escrow Agent                           | The share escrow agent appointed pursuant to the Share Escrow Agreement namely, [●].  |
| Share Escrow Agreement                       | Agreement dated [●] entered into amongst the Selling Shareholders, our Company, the BRLM 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.   |

| <b>Term</b>  | <b>Description</b>   |
|--|--|
| Specified Locations                                    | Bidding centres where the members of Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.   |
| Stock Exchanges  | BSE and NSE  |
| Syndicate Agreement                                    | The syndicate agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate.   |
| Syndicate Members                                      | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●], [●] and [●].   |
| Syndicate/ members of the Syndicate                    | BRLM and the Syndicate Members.  |
| 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.  |
| 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   | [●]  |
| Underwriting Agreements                                | The agreement between the Underwriters and our Company and the Selling Shareholders to be entered into on or after the Pricing Date.   |
| Wilful Defaulter                                       | A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.  |
| Working Day  | “Working Day”, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

### **Conventional and General Terms and Abbreviations**

| <b>Term</b>        | <b>Description</b>  |
|--------------------|---|
| AGM                | Annual general meeting  |
| AIF(s)             | Alternative Investment Funds  |
| AS                 | Accounting Standards issued by the Institute of Chartered Accountants of India  |
| BSE                | BSE Limited   |
| CAGR               | Compounded Annual Growth Rate.  |
| Category III FPIs  | FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices. |
| CDSL               | Central Depository Services (India) Limited.  |
| CFO                | Chief Financial Officer   |
| CIN                | Corporate Identity Number   |
| CIT                | Commissioner of Income Tax  |
| CLRA               | Contract Labour (Regulation and Abolition) Act, 1970.   |
| Companies Act      | Companies Act, 1956 and / or the Companies Act, 2013 as applicable.   |
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).   |
| Companies Act 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.   |

| <b>Term</b>                      | <b>Description</b>   |
|----------------------------------|--|
| Consolidated FDI Policy          | The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.  |
| CSR                              | Corporate social responsibility  |
| Depository(ies)                  | NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.  |
| Depositories Act                 | The Depositories Act, 1996   |
| DIN                              | Director Identification Number   |
| DIPP                             | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI  |
| DP ID                            | Depository Participant's identity number   |
| EBITDA                           | Earnings Before Interest, Tax, Depreciation and Amortization   |
| EGM                              | Extraordinary general meeting  |
| EPF Act                          | Employees' Provident Fund and Miscellaneous Provisions Act, 1952   |
| EPS                              | Earnings per share   |
| ERP                              | Enterprise Resource Planning   |
| ESI Act                          | Employees' State Insurance Act, 1948   |
| FCNR Account                     | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA   |
| FDI                              | Foreign direct investment  |
| FEMA                             | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder   |
| FEMA Regulations                 | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017   |
| Financial Year/Fiscal            | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year   |
| FPIs                             | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FVCI                             | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI   |
| GAAR                             | General Anti-Avoidance Rules   |
| GDP                              | Gross Domestic Product   |
| GoI / Government                 | The Government of India  |
| GST                              | Goods and services tax   |
| HUF(s)                           | Hindu Undivided Family(ies)  |
| ICAI                             | Institute of Chartered Accountants of India  |
| IFRS                             | International Financial Reporting Standards  |
| IFSC                             | Indian Financial System Code   |
| Income Tax Act / IT Act          | Income Tax Act, 1961   |
| Ind AS                           | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended  |
| Indian GAAP                      | Generally Accepted Accounting Principles in India  |
| Insolvency Code                  | Insolvency and Bankruptcy Code, 2016   |
| INR or ₹ or Rs. Or Indian Rupees | Indian Rupee, the official currency of the Republic of India.  |
| IPO                              | Initial public offering  |
| IT                               | Information Technology   |
| MAT                              | Minimum Alternate Tax  |
| MCA                              | The Ministry of Corporate Affairs, GoI   |
| MICR                             | Magnetic ink character recognition   |
| Mn / mn                          | Million  |

| <b>Term</b>                     | <b>Description</b>   |
|---------------------------------|--|
| Mutual Funds                    | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996  |
| N.A. or NA                      | Not Applicable   |
| NACH                            | National Automated Clearing House, a consolidated system of ECS.   |
| NAV                             | Net Asset Value  |
| NECS                            | National Electronic Clearing Services  |
| NEFT                            | National Electronic Fund Transfer  |
| Notified Sections               | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.  |
| NRO                             | Non-resident ordinary account  |
| NSDL                            | National Securities Depository Limited   |
| NSE                             | National Stock Exchange of India Limited   |
| OCB                             | 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer. |
| p.a.                            | Per annum  |
| P/E Ratio                       | Price/Earnings Ratio   |
| PAN                             | Permanent account number   |
| PAT                             | Profit after tax   |
| Payment of Bonus Act            | Payment of Bonus Act, 1965   |
| Payment of Gratuity Act         | Payment of Gratuity Act, 1972  |
| RBI                             | The Reserve Bank of India  |
| RBI Act                         | Reserve Bank of India Act, 1934  |
| Regulation S                    | Regulation S under the Securities Act  |
| SCRA                            | Securities Contract (Regulation) Act, 1956   |
| SCRR                            | The Securities Contracts (Regulation) Rules, 1957  |
| SEBI                            | The Securities and Exchange Board of India constituted under the SEBI Act  |
| SEBI Act                        | The Securities and Exchange Board of India Act, 1992   |
| SEBI AIF Regulations            | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012   |
| SEBI Depository Regulations     | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996   |
| SEBI ICDR Regulations           | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009  |
| SEBI FPI Regulations            | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014   |
| SEBI FVCI Regulations           | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000   |
| SEBI Ind AS Transition Circular | SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016   |
| SEBI Listing Regulations        | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015   |
| SEBI Takeover Regulations       | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011   |
| Securities Act                  | The United States Securities Act of 1933.  |
| STT                             | Securities Transaction Tax   |
| State Government                | The government of a state in India   |
| Trademarks Act                  | Trademarks Act, 1999   |
| TDS                             | Tax deducted at source   |
| UNCITRAL                        | United Nations Commission on International Trade Law   |

| <b>Term</b>          | <b>Description</b>  |
|----------------------|---|
| US\$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America   |
| USA/ U.S./ US        | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia   |
| U.S. GAAP            | Generally Accepted Accounting Principles in the United States of America  |
| VAT                  | Value Added Tax   |
| VCFs                 | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| Year/Calendar Year   | Unless context otherwise requires, shall refer to the twelve month period ending December 31  |

### Industry Related Terms

| <b>Term</b>     | <b>Description</b>  |
|-----------------|---|
| AiCTSL          | Atal Indore City Transport Service Limited  |
| AJL             | Ahmedabad Janmarg Limited   |
| AMRUT           | Atal Mission for Rejuvenation and Urban Transformation  |
| AMTS            | Ahmedabad Municipal Transport Services  |
| ASTC            | Assam State Transport Corporation   |
| ATF             | Aviation turbine fuel   |
| BCLL            | Bhopal City Link Limited  |
| BEST            | Brihanmumbai Electricity Supply and Transport   |
| BG              | Broad Gauge   |
| BRTS            | Bus rapid transit system  |
| BSCDCL          | Bhopal Smart City Development Corporation Limited   |
| CCTV            | Closed-circuit television   |
| CRISIL          | CRISIL Limited  |
| CRISIL Report   | Report titled “Passenger Transport Industry in India” released in August, 2018 by CRISIL  |
| CRISIL Research | A division of CRISIL Limited  |
| DTC             | Delhi transport corporation   |
| EPC             | Engineering, procurement and construction   |
| FAME-India      | A scheme formulated by the Department of Heavy Industry called Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India |
| FTA             | Foreign tourist arrivals  |
| GCC             | Gross Cost Contract   |
| GPS             | Global Positioning System   |
| GTI             | Global Travel Intention   |
| HAM             | Hybrid annuity model  |
| HP              | Horsepower  |
| HRA             | House rent allowance  |
| HSD             | High speed diesel   |
| IR              | Indian Railways   |
| ITES            | Information Technology Enabled Services   |
| JNNURM          | Jawaharlal Nehru National Urban Renewal Mission   |
| LCD             | Liquid crystal display  |
| MoRTH           | Ministry of Road Transport & Highways   |
| MAHSR           | Mumbai-Ahmedabad High Speed Rail  |
| MPPA            | Million passengers per annum  |
| NABARD          | National Bank for Agriculture and Rural Development   |
| NCC             | Net Cost Contract   |
| NMMT            | Navi Mumbai Municipal Transport   |
| NH              | National highways   |

| <b>Term</b> | <b>Description</b>   |
|-------------|--|
| NHAI        | National Highways Authority of India                         |
| NHDP        | National Highways Development Project                        |
| NPISH       | Non-profit institutions serving households                   |
| OECD        | Organisation for Economic Co-operation and Development       |
| OEMs        | Original equipment manufacturer                              |
| OICA        | International Organization of Motor Vehicle Manufacturers    |
| OPEC        | Organization of the Petroleum Exporting Countries            |
| OR          | Occupancy rate   |
| PFCE        | Private final consumption expenditure                        |
| PIN         | Personal identification number                               |
| PKM         | The measure of passenger movement called passenger kilometre |
| PLF         | Passenger Load Factor  |
| PMAY        | Pradhan Mantri Awas Yojana                                   |
| PMAY-U      | Pradhan Mantri Awas Yojana - Urban                           |
| PMGSY       | Pradhan Mantri Gram Sadak Yojana                             |
| PPP         | Public-private partnership                                   |
| RFID        | Radio frequency identification                               |
| RFP         | Request for proposal   |
| RKM         | Route Kilometer  |
| RSCCL       | Ranchi Smart City Corporation Limited                        |
| Smart Bike  | Automated public bicycle                                     |
| SMC         | Surat Municipal Corporation                                  |
| SRTC        | State Road Transport Corporation                             |
| STC         | State Transport Corporation                                  |
| STU         | State transport undertaking                                  |
| TRM         | Ticket Revenue Model   |
| UDAN        | Ude Desh ka Aam Nagrik                                       |
| VGF         | Viability gap funding  |

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Part B*” of “*Offer Procedure*” on pages 434, 109, 112, 162, 203, 354 and 385 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

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 otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements prepared in accordance with the Companies Act, 2013, Ind AS, Indian GAAP, as applicable and restated in accordance with the SEBI ICDR Regulations.

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

Our Restated Financial Statements have been prepared in accordance with Ind AS for Financial Years ended March 2018, 2017 and 2016 (Proforma), and Indian GAAP for Financial Years ended March 2015 and 2014. There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. While a limited reconciliation of Ind AS and Indian GAAP numbers has been provided, our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see “*Risk Factors*” on page 19 of this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” on pages 19, 144 and 310 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, on standalone or consolidated basis, as the case may be, prepared in accordance with Ind AS for Financial Years ended March 2018, 2017 and 2016 (Proforma), and Indian GAAP for Financial Years ended March 2015 and 2014, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 19, 112 and 144 respectively, this Draft Red Herring Prospectus.

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

All references to:

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

Our Company has presented all numerical information in this Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

### Exchange rates

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

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

| Currency# | Exchange rate as on |                |                |                |                |
|-----------|---------------------|----------------|----------------|----------------|----------------|
|           | March 31, 2018      | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| 1 USD     | 65.04               | 64.84          | 66.33          | 62.59          | 60.10          |

(Source: RBI reference rate)

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

### Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 19, this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain information in “Summary of Industry”, “Summary of our Business”, “Industry Overview” and “Our Business” on pages 43, 49, 112 and 144, respectively of this Draft Red Herring Prospectus has been obtained, derived or extracted from the industry report titled “Passenger Transport Industry in India” released in August, 2018 prepared by CRISIL Limited which has issued the following disclaimer:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an 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 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. Chartered Speed 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."*

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 105 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information.

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

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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 which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry we operates.

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

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Gujarat and Maharashtra;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Any invocation of any corporate guarantees issued by our Company for any of our Subsidiaries;
- Our failure to obtain new contracts;
- Our failure to successfully implement our growth strategy of expanding our route network;
- Failure of our new routes to be profitable;
- The competitive nature of the passenger mobility industry;

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 19, 144 and 310, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions

upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI requirements, our Company and the Selling Shareholders will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with “Industry Overview”, “Our Business”, “Regulations and Policies” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*Prospective investors should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Offer unless you are prepared to accept the risk of losing all or part of your investment. 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. Unless otherwise indicated, all financial information included herein are based on our Restated Consolidated Financial Statements. See “Financial Statements” beginning on page 203 this Draft Red Herring Prospectus.*

### **Internal Risk Factors**

- 1. Our passenger transport business is primarily dependent on the projects undertaken or awarded by government agencies and other agencies funded by state governments and we derive majority of our revenues from contracts with a limited number of government agencies. Any adverse changes in central or state government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated.***

Our passenger transport business is primarily dependent on projects undertaken or awarded by governmental authorities or municipal authorities and other entities funded by the state governments. We currently derive majority of our revenues from contracts with a limited number of government entities, including Ahmedabad Janmarg Limited, and Surat Sitalink Limited. In Fiscal 2014, 2015, 2016, 2017 and 2018, our top five institutional clients contributed 61.86%, 61.15%, 53.47%, 55.64%, and 59.66%, respectively, of our total revenue. Large contracts from few clients may represent a significant part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Such concentration of our business with clients may have an adverse effect on our results of operations if we do not achieve our expected margins or suffer losses on one or more of these large contracts, from such clients.

We expect that contracts awarded by government agencies and other agencies funded by state governments and/or municipal corporations will continue to account for a high proportion of our business. The government projects may be subject to extensive internal processes, policy changes, delays, changes due to local, national and internal politics, insufficiency of funds or changes in budgetary allocations. We also face the risk of non-payment or delay in the collection of payments from government owned or controlled agencies. Our operations involve significant working capital requirements and any non-payment or delayed collection of our receivables could materially and adversely affect our liquidity, financial condition and results of operations. As at March 31, 2018, 2017 and 2016, there were outstanding trade receivables of ₹ 233.87 million, ₹ 197.63 million, and ₹ 152.91 million, respectively, of which ₹ 58.65 million, ₹ 32.65 million, and ₹ 41.21 million, respectively, had been past due but not impaired, and constituted 2.29%, 1.38% and 2.05%, respectively, of our total revenue from operations. The financial condition of our clients, business partners and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. Moreover, any adverse changes in government

policies may lead to our contracts being restructured or renegotiated and could materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing projects, as well as our ability to participate in competitive bidding or negotiations for our future projects.

**2. *The Promoter Group of our Company does not include Lalit Gandhi and Kishore Gandhi, brothers of Pankaj Kumar Gandhi, one of our individual Promoter, or any entity in which Lalit Gandhi or Kishore Gandhi, may have an interest.***

The Promoter Group of our Company does not include Lalit Gandhi and Kishore Gandhi, brothers of Pankaj Kumar Gandhi, one of our individual Promoter, or any entity in which Lalit Gandhi or Kishore Gandhi may have an interest. since our Company has received a letter dated September 14, 2018 from Lalit Gandhi and a letter dated September 12, 2018 from Kishore Gandhi (“**Disassociation Letters**”) instructing our Company not to include them or the entities controlled by them as a part of the promoter or promoter group of our Company. Pursuant to the Disassociation Letters, it has been declared that Lalit Gandhi and Kishore Gandhi should not be included as member of the Promoter Group since (i) Lalit Gandhi and Kishore Gandhi do not have any interest in Chartered Speed Limited, either by themselves and/ or through their respective siblings, spouse and children, directly or indirectly, in each other’s business and/or business entities; (ii) there was an arrangement agreed upon between Pankaj Kumar Gandhi, Lalit Gandhi and Kishore Gandhi, which though undocumented was the basis on which Lalit Gandhi had taken steps to remove Pankaj Kumar Gandhi and/ or Alka Pankaj Gandhi, and any entities promoted, operated and controlled by Pankaj Kumar Gandhi and/or Alka Pankaj Gandhi from the list of promoter group for Chartered Logistics Limited effective from August 30, 2014 and (ii) except to the extent of 1,957,816 equity shares (being 1.97% of the equity shares capital of Chartered Logistics Limited) held by Chartered Speed Limited in Chartered Logistics Limited, Lalit Gandhi and Kishore Gandhi are in no way connected, including by way of shareholding interest or of control, either directly or indirectly, with respect to each other’s business ventures. However, there are no formal disassociation arrangements between our Promoters and Lalit Gandhi and Kishore Gandhi. For further information, see “*Our Promoters and Promoter Group*” on page 190 of this Draft Red Herring Prospectus.

**3. *Any anticipated fluctuations in fuel costs may adversely affect our business and profitability.***

Fuel is one of the Company’s largest operating expenses. As a result of the GoI’s deregulation of fuel prices in India, oil marketing companies are now able to decide on the prices of fuel and have recently announced that fuel prices will be benchmarked to international crude oil prices on a daily basis. The cost of fuel has fluctuated significantly in recent periods due to various factors beyond our control, including international prices of crude oil and petroleum products, global and regional demand and supply conditions, geopolitical uncertainties, import cost of crude oil, government policies and regulations and the availability of alternative fuels. In Fiscals 2016, 2017 and 2018, our fuel expense was ₹ 693.59 million, ₹ 860.07 million and ₹ 1,008.84 million, respectively, constituting 34.45%, 36.29% and 39.37%, respectively, of our consolidated revenue from operations for such periods. Because our operations are dependent upon diesel, compressed natural gas, significant fuel cost increases, shortages or supply disruptions could materially and adversely affect its results of operations and financial condition. We have not used derivatives as a hedge against higher fuel costs in the past but continues to evaluate this possibility. There can be no assurance that the Company’s fuel surcharge program will be maintained indefinitely or will be sufficiently effective. Hence, we cannot assure you that we will be able to pass on the increased cost of fuel to our counterparties partially or at all. Further, while we have short term arrangements in place for fuel procurement, we may not be able to renew them at favorable terms or at all.

Increases in fuel costs, to the extent not offset by rate per mile increases or have an adverse effect on our operating margins and consequentially, our business and profitability.

**4. *We generated a significant portion of our revenues from our operations in Gujarat and Madhya Pradesh. Any adverse development that affects the performance of our operations in Gujarat and Madhya Pradesh may have a material adverse effect on our business, cash flows, results of operations and financial condition.***

Our business is geographically concentrated in the states of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra. For the Fiscals 2016, 2017 and 2018, our operations in Gujarat and Madhya Pradesh accounted for 90.90%, 93.96% and 97.15% of our total revenues, respectively, on a consolidated basis. Our business is therefore significantly dependent on the general economic condition and activity in these states, end-consumer trends with regards to public transportation, and government policies relating to passenger transportation in the respective states. Our business is

also exposed to risks arising from any adverse events that may occur in these States like regional conflicts, natural calamities or socio – political instability which may affect these areas. In such events, our business, results of operation and financial condition may be adversely affected.

Our expansion strategy contemplates spreading our business to other geographical areas, thereby exposing us to new market related and customer related risks. We have recently ventured into Northeastern India through a contract with ASTC dated June 28, 2018. We may not be able to effectively compete with other players in such markets or may not gain acceptance by customers. We may face additional risks in other geographic areas in which we do not possess the same level of familiarity as our competitors. We may not be able to successfully manage some or all of the risks of such an expansion, which may place us at a competitive disadvantage, limit our growth opportunities and have a material adverse effect on our revenues, profits and financial condition.

**5. *We have recently forayed into a new business, public bike sharing services. We do not have any track record or prior experience in public bike sharing services.***

In addition to our operations involving the operation and maintenance of buses for public transportation, we are also engaged in the business of providing public bike sharing services. We also do not have any prior experience in public bike sharing services. Our Smart Bike sharing operations are currently functional in Bhopal, with a fleet of over 430 Smart Bikes as on August 31, 2018. Our customers can locate our designated bike stations and rent our Smart Bikes from one of 88 docking stations in Bhopal using our mobile application called ‘Chartered Bike’. We are currently in process of setting up operations in Ranchi under a service contract agreement with RSCCL for supply and management of a fleet of 1,200 Smart Bikes.

We may face managerial, technical and logistical challenges while implementing such projects, and in the absence of prior experience, we may not be able to handle such challenges. Any failure on our part to meet the challenges could cause disruptions to our business, be detrimental to our long-term business outlook and may have a material adverse effect on our business, prospects, results of operations and financial condition. This being a niche business idea in India and Government is extending financial support, however, the same may be withdrawn anytime at the discretion of GoI and this will result in decrease in our income.

**6. *Our Statutory Auditors have made certain qualifications and observations in our Restated Financial Statements in Fiscal 2017 and Fiscal 2018.***

Our auditors have included certain qualifications and observations in their audit report issued on our Restated Financial Statements for Fiscals 2017 and 2018. For instances the Company has not made any gratuity provisions till Fiscal 2016 and the same has been recorded as a cumulative liability towards gratuity in Fiscal 2017. For details on steps taken by our Company, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Reservations, qualifications and adverse remarks*” and “*Financial Statements*” on pages 310 and 203 respectively of this Draft Red Herring Prospectus. We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which affect our results of operations in such future periods.

**7. *There have been certain instances of inaccuracies and non-compliances with respect to certain provisions of the Companies Act.***

There have been certain discrepancies, non-compliances, and delays in making certain regulatory filings by our Company in relation to statutory filings required to be made by us under the Companies Act, 1956 and Companies Act, 2013. For instance, we have made filings for condonation of delay for non-compliances in relation to (i) non-filing of Form MGT-14 vis-à-vis borrowing power, (ii) non-appointment of Company Secretary for a period from January 2014 to August 2016.

We have also not complied with the provisions of section 185 and section 186 of Companies Act, 2013 and have extended interest free loans to certain of our Group Companies including Subsidiaries and associate companies. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 310 of this Draft Red Herring Prospectus. While the aforesaid loans were repaid to us by such Group Companies, we cannot assure you that this lapse will not result in adverse regulatory action being taken against our Company.

In addition, there have been instances in the past when our Company filed documents with RoC with delays and discrepancies.

We cannot assure you that we will not be subjected to any liability on account of such non-compliances. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations.

**8. Certain of our Subsidiaries and Group Companies have incurred losses in the past and may incur losses in the future which may have an adverse effect on our reputation and business.**

Certain of our Subsidiaries and Group Companies have incurred losses in their last audited financial year. The following table sets forth information on the Group Companies of our Company that have incurred losses as per the audited standalone financial statements of the respective entities in the periods specified below:

(₹ in million)

| Sr. No.                       | Name of the Group Company                 | Profit/(Loss) |             |             |             |
|-------------------------------|---|---------------|-------------|-------------|-------------|
|                               |   | Fiscal 2018   | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
| 1.                            | Chartered Auto Components Private Limited | -             | (0.15)      | 0.08        | 0.06        |
| 2.                            | Chartered Autozone Private Limited        | (0.65)        | (3.51)      | 0.55        | 3.96        |
| 3.                            | Chartered Marbles Private Limited         | (1.23)        | (2.05)      | (0.81)      | 0.00        |
| 4.                            | Raman Holding Private Limited             | -             | (0.56)      | 1.45        | 0.96        |
| 5.                            | Chartered Greentech Private Limited       | -             | (0.07)      | 0.01        | (0.01)      |
| <b>Name of the Subsidiary</b> |   |               |             |             |             |
| 1.                            | Chartered Bike Private Limited            | (5.51)        | (0.68)      | (0.03)      | -           |

There can be no assurance that our Subsidiaries or Group Companies will not incur losses in the future which may have an adverse effect on our reputation and business.

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

Our Company and certain of our Directors are involved in certain legal proceedings. These proceedings are pending at different levels of adjudication before various courts and tribunals. Our Company and Directors may be required to devote management and financial resources towards enforcing our and their rights under such actions. However, we cannot assure you that these matters will be settled in our favor or in favor of our Directors, or that no further liability will arise out of these claims. Any such action may include claims for substantial or unspecified compensatory and punitive damages, as well as civil, regulatory proceedings against our Directors, officers or employees, and the probability and amount of liability, if any, may be significant or remain unknown for significant periods of time.

A summary of such legal proceedings, including material legal proceedings, is set out below:

| Particulars  | No. of matters | Total amount involved (to the extent quantifiable) (₹ in million) |
|--|----------------|---|
| <b>Litigation involving our Company</b>                            |                |   |
| Tax Proceedings  | 1              | 1.21  |
| <b>Other material outstanding litigation involving our Company</b> |                |   |
| Motor Vehicle Accident Claims filed against our Company            | 79             | 205.24  |
| Labour disputes filed against our Company                          | 8              | 0.21  |
| Civil proceedings filed by our Company                             | 2              | 20.65   |

Given the uncertainties and complexity of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty. We cannot assure you that any of the outstanding legal proceedings will be settled in our favour, or that no additional liability will arise out of these proceedings. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our

financial statements, which could increase our expenses and liabilities. An adverse outcome in any of these proceedings could have an adverse effect on our business, financial condition, results of operations, and prospects.

Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant harm to our reputation, which could materially affect our prospects and future growth. For further details, see “*Outstanding Litigation and Material Developments*” beginning on page 354 of this Draft Red Herring Prospectus.

***10. Driver shortages and increases in driver compensation could adversely affect our Company’s profitability and ability to maintain or grow its business.***

As our Company is continuously bidding for new projects and has to rely significantly on our drivers for successful implementation of each project. As on August 31, 2018, we have 1,240 drivers for operating our vehicles. Any driver shortages in the industry may require our Company to spend more to attract and retain drivers. Our Company’s challenge with attracting and retaining experienced drivers primarily stems from intense market competition, which may subject it to increased payments for driver compensation. Also, because of the intense competition for experienced drivers, our Company may face difficulty maintaining or increasing its number of drivers. If our Company is unable to continue to attract and retain a sufficient number of drivers, it could be required to operate with fewer buses and face difficulty meeting contractor demands or be forced to forego business that would otherwise be available to it, which could adversely affect its profitability and ability to maintain or grow its business.

***11. Our employee expense is a significant component of our operating costs. An increase in employee expense could reduce our profitability.***

Over the years, our employee expense has been a significant component of our operating costs. In Fiscals 2016, 2017 and 2018, our employee expense was ₹ 260.26 million, ₹ 369.45 million and ₹ 436.52 million, respectively, constituting 12.93%, 15.59% and 17.03%, respectively, of our consolidated revenue from operations for such periods. Due to economic growth in the past and the increase in competition for employees in India, wages in India, in recent years, have been increasing. Further, our plans to expand in order to increase growth will also result in expansion of our work force and may therefore necessitate increased levels of employee compensation. In addition, we may also need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Finally, our employees’ salaries are linked to minimum wage laws in India, and any increase in the minimum wage in any state in which we operate could increase our operating costs. In addition, a shortage in the labour pool or general inflationary pressures will also increase our labour costs. A significant long-term increase in our employee benefit expense could reduce our profitability, which could, among other things, affect our growth, business and financial results.

***12. The increase in the prices of new vehicles may adversely affect our business and results of operations.***

As of August 31, 2018, our fleet of inter-city buses included: 47 Volvo multi-axle seater/sleeper buses, 2 Volvo single axle seater buses, and 74 other seater/sleeper buses. Unless we continue to expand and upgrade the fleet and acquire such vehicles on commercially favorable terms, the aging fleet may result in increased operating and maintenance costs. We intend to expand and increase our vehicle strength in order to meet our business expansion targets. If the prices of new vehicles increase, we will incur additional expenses to acquire these vehicles and may also incur increased depreciation expenses, any of which may adversely affect our business, financial condition and results of operations. If the price of new passenger transport buses increase, it may adversely affect our business and results of operations.

***13. Tender processes and qualification criteria through which new contracts are awarded may be delayed or cancelled, thereby reducing or eliminating our ability to undertake a project.***

Majority of intra-city passenger transport operations for city buses and bus rapid transport system for state governments and city municipal corporations and inter-city passenger transport operations are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client’s decisions, price is also a major factor. There can be no assurance that we would be able to meet such qualification criteria or emerge as the lowest bidder.

There can be no assurance that the route for which we bid will be tendered within a reasonable time, or at all. The government-conducted tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new projects which have been announced, and which we plan to tender for, are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, or the tender process is subject to delay or uncertainty, though not quantifiable monetarily, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Projects awarded to us may be subject to litigation by unsuccessful bidders. Legal proceedings may result in delay in award of the projects and/or notification of appointed dates, for the bids where we have been successful, which may result in us having to retain unallocated resources and as a result, it would adversely affect our results of operations and financial condition. Further, we may be required to incur substantial expenditure, time and resources in defending such litigation. Any unsuccessful outcome in any such proceedings may lead to termination of a contract awarded to us, which could have a material adverse effect on our future revenues and profits.

***14. Our growth primarily depends upon the award of new contracts. Our financial condition would be materially and adversely affected if we fail to obtain new contracts.***

The growth of our business mainly depends on us winning new contracts. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve multiple number of bidders and lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters.

Because our revenues are derived primarily from these contracts, our results of operations and cash flows may be adversely affected or fluctuate materially from period to period depending on our ability to win new contracts. The uncertainty associated with the award of new contracts may increase our cost of doing business. For example, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may have a material adverse effect on our results of operations. Alternatively, we may decide that our long term interests are best served by reducing our workforce and we may incur increased costs associated with severance and termination benefits which also could have a material adverse effect on our results of operations for the period when such cost is incurred. Reducing our work force could also impact our results of operations if we are unable to adequately staff projects that are awarded subsequent to a workforce reduction. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards.

***15. We may not be able to successfully implement our growth strategy of expanding our route network due to factors beyond our control.***

As a part of our growth strategies, we intend to develop a portfolio of routes which have the potential to deliver high passenger load factors. The number of markets we serve and our bus frequencies depend on our ability to identify appropriate geographic markets and route approval in these markets. When selecting a potential route, we typically choose a destination that has a good population and has the potential to service other key cities, where the route is a good fit with our existing network, the attractiveness of alternative modes of transport for the route (such as rail) or whether the route has proven to be successful for our competitors. We also consider economic indicators to identify the growth opportunities in a particular market. Please see the chapter “*Our Business—Our Route Network—Route Selection and Development Strategy*” beginning on page 144 of this Draft Red Herring Prospectus.

Factors that may affect our ability to identify appropriate new routes to which we can expand include but are not limited to the following:

- economic, political and business conditions;
- general population trends in India;
- conditions in the Indian domestic passenger transportation industry;
- national, regional and local governmental laws, regulations, policies or actions, including those related to taxation and tax restrictions; and

- the business and operations of our competitors.

Our inability to successfully identify new routes on which to expand our route network may result in excess unused seat capacity in our buses. Although we may not operate on newly identified routes immediately, we may still incur costs in attempting to identify such new routes and operating expenses to maintain and service our buses. The size of our route network also affects our bus requirements, and our failure to expand our route network may cause us to delay or cancel our new bus orders.

The expansion of our business will also require additional skilled personnel, equipment and facilities. The inability to hire and retain skilled drivers and other personnel or secure the required equipment and facilities efficiently and cost-effectively may adversely affect our ability to execute our growth strategy. Expansion of our markets and bus frequencies may also strain our existing management resources and operational, financial and management information systems to the point where they may no longer be adequate to support our operations, requiring us to make significant expenditures in these areas.

***16. There is no assurance that the new routes which we expand into will be profitable or become profitable over time.***

There can be no assurance that the new markets we intend to enter into will provide passenger traffic that is sufficient to make our operations in those new markets profitable. The expansion of our route portfolio and commencement of our service to new routes that we successfully identify for expansion will also involve significant costs as well as additional administrative and staff costs associated with complying with state regulations and operating requirements. Furthermore, on our newly commenced routes, our occupancy ratio fares initially tend to be lower than those on our established routes, which may result in initial losses. We may also periodically run special promotional fare campaigns and conduct road shows and sales meets for travel agents, in particular, in connection with the opening of new routes. Promotional fares and incentives may have the effect of increasing occupancy ratio but tend to reduce our yield and passenger revenues on such routes during the periods that they are in effect. We also generally increase our marketing efforts in connection with the opening of new routes. These costs are likely to lead to initial losses that could have an adverse impact on our results. The failure of new routes to be profitable or become profitable over time may adversely affect our business, financial condition, results of operations and cash flows.

***17. We may be subject to industrial unrest, slowdowns and increased wage costs, which could adversely impact our operations and financial condition.***

India has stringent labor legislation that protects the interest of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, employees have a right to establish trade unions. Although our employees are not currently unionized, we cannot assure that they will not unionize in the future. If some or all of our employees unionize or if we experience strikes, unrest or slowdowns, it may adversely impact our operations and make it difficult for us to maintain flexible labor policies and we may experience increased wage costs adversely impacting our profitability.

Any inability to support our growth with the required skilled laborers may affect operations and profitability.

***18. We operate in a highly regulated industry, and changes in existing laws or regulations, or liability under existing or future laws or regulations, could have a material adverse effect on its results of operations and profitability.***

Our operations are subject to a number of safety equipment, environment protection, labour, employment and other laws and regulations. These laws and regulations are subject to change based on new legislation and regulatory initiatives, which could affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services. To illustrate, certain states impose restrictions on the age of vehicles operating within the State. We are also required to comply with regulations in connection with, (a) restrictions which specify the actual number of passenger which may be carried by our different kinds of vehicles, (b) permissible emissions levels, (c) diesel generators operated by us and their noise control norms, (d) qualification of the drivers. These laws and regulations generally require us to maintain and comply with a wide

variety of certificates, permits, licenses and other approvals. For further details, please refer to “*Key Regulations and Policies*” and “*Government and Other Approvals*” on pages 162 and 359 respectively of this Draft Red Herring Prospectus. We may become subject to new or more restrictive regulations relating to such matters that may require changes in its operating practices, influence the demand for transportation services or require it to incur significant additional costs.

Our failure to maintain required certificates, permits or licenses, or to comply with applicable laws and regulations, could result in substantial fines or possible revocation of our authority to conduct our operations. We cannot assure you that existing laws or regulations will not be revised or that new laws or regulations, which could have an adverse impact on our operations, will not be adopted or become applicable to us. We also cannot assure you that we will be able to recover any or all increased costs of compliance from our customers or that our business and financial condition will not be materially and adversely affected by future changes in applicable laws and regulations.

**19. *We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into and may in the course of our business continue to enter into transactions with several related parties, including our Promoters and companies forming part of our Group Companies. For further details in relation to our related party transactions, see “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus. Furthermore, it is likely that we may enter into related party transactions in the future. Our auditors have highlighted that in the past we had entered into certain related party transactions which may not have been conducted on an arm’s length basis. For further details of our related party transactions, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 310 and “*Financial Statements*” on page 203 of this Draft Red Herring Prospectus and in the ordinary course of our business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**20. *Our Company has reported certain negative cash flows from its investing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.***

The following table sets forth our cash flow for the periods indicated, in accordance with the Restated Consolidated Financial Statements:

| Particulars   | (₹ in million)       |                      |                        |                           |                           |
|---|----------------------|----------------------|------------------------|---------------------------|---------------------------|
|   | Fiscal 2018 (Ind AS) | Fiscal 2017 (Ind AS) | Fiscal 2016 (Proforma) | Fiscal 2015 (Indian GAAP) | Fiscal 2014 (Indian GAAP) |
| Net cash flow from / (used in) operating activities | 189.16               | 341.91               | 277.28                 | 206.82                    | 158.82                    |
| Net cash flow from / (used in) investing activities | (146.88)             | (360.89)             | (298.73)               | (332.63)                  | (158.61)                  |
| Net cash flow from / (used in) financing activities | (76.02)              | 24.58                | 51.92                  | 102.67                    | 35.44                     |

Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition and the trading price of our Equity Shares. Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. For further details, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 203 and 310, respectively this Draft Red Herring Prospectus. We cannot assure you that our net cash flows will be positive in the future.

**21. *Any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval from Shareholders.***

We propose to utilize the Net Proceeds for the repayment/pre-payment of certain loans availed by our Company, purchase of passenger transportation vehicles, investment in our Subsidiary, Chartered Bus Private Limited, for repayment/pre-payment of certain borrowings availed by our Subsidiary, purchase of IT software and equipment’s;

and general corporate purposes. For further details of the proposed objects of the Offer, see “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would be able to completely utilise the Net Proceeds towards the objects aforementioned. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Offer, at a price and in the manner set out under the SEBI ICDR Regulations. Additionally, the requirement Promoters or on controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI under Chapter VI-A of the SEBI ICDR Regulations.

Further, we may not be able to undertake any variation in the objects of the Offer to use unutilised proceeds of the Offer, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the Net Proceeds, if any, which may adversely affect our business and results of operations. Further, pending utilisation, we are required to deposit the Net Proceeds only in scheduled commercial banks listed under schedule II of the Reserve Bank of India Act, 1934.

***22. Conflicts of interest may arise out of common business objects shared by our Company, our Promoters and various members of our Promoter Group and Group Companies.***

Some of Promoter Group and Group Companies are engaged in businesses similar to the business of our Company or have interests in other companies and entities that may compete with us. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies among our Company and other members of our Promoter Group and Group Companies in circumstances where our interests differ from theirs. There can be no assurance that such members of our Promoter Group or Group Companies will not compete with our existing business or any future business that we may undertake, or that their interests will not conflict with ours.

We have not entered into any non-solicitation or non-compete agreement with any member of our Group Companies. While such members of our Group Companies are not currently carrying on any business in conflict with our Company, there is no assurance that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. There can be no assurance that our Promoters or members of our Group Companies will not provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures, in the locations or segments in which we operate. A conflict of interest may occur between our business and the business of the members of our Promoter Group, which could have an adverse effect on our business, prospects, results of operations and financial condition.

***23. We face intense competition, since our Company operates in a highly competitive industry and competition may have a negative impact on our business prospects, future performance and financial condition.***

The passenger transportation industry in India is highly competitive and unorganized. We face intense competition from other organized and unorganized passenger transportation companies that operate on our routes. Our competitors include state owned road transport corporations, as well as potential new entrants into the routes/markets that we serve or plan to serve. Increased competition in the passenger transportation services industry can lead to downward pricing pressures and reduced profit margins. The intensity of the competition we face varies from route to route and depends on a number of factors, including the strength of competing bus operators. Our competitors may be better placed than us to offer competitive rates to passengers and sustain increased fuel or other operating costs without passing them to their customers. Further, they may also offer similar services at competitive prices. It may be difficult for us to deliver higher revenues and capture greater market share, if we face prolonged or intense competition, particularly price/fare

competition. Our competitors may have better brand recognition and greater financial and other resources than us. In addition, some competitors may have a longer operating history and greater experience than us in operating certain routes.

In the event our competitors reduce their fares to levels which we are unable to match while sustaining profitable operations, we may reduce or withdraw services on the relevant routes, which may cause us to incur losses or impact our growth.

***24. We are required to maintain various licences and permits for our business from time to time. Any failure or delay in obtaining or renewing licences or permits may adversely affect our operations.***

Our business is subject to government regulations and we require certain approvals, licences, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making applications for obtaining the approval or their renewal. In addition, we may not be in compliance with certain conditions prescribed under such approvals or licences. Government licences and approvals may also be tied to numerous conditions, some of which may be onerous to our Company and require substantial expenditures. There is no assurance in the future that the licences, approvals and permits applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable law. Our failure to obtain or renew such licences and approvals in a timely manner and comply with the provisions of the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities, including penalties. Furthermore, our failure to obtain or renew licences and approvals could affect our ability to recover under our insurance policies. For details, please see the section entitled “*Government and Other Approvals*” on page 359 of this Draft Red Herring Prospectus.

Further, applications for approvals, licences, registrations and permissions for operating our business need to be made within certain timeframes and are often subject to the discretion of relevant authorities. If we are unable to make applications and renew or obtain necessary permits, licences and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all, it could materially and adversely affect our financial condition and results of operations.

***25. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.***

As of March 31, 2018, our total consolidated outstanding indebtedness was ₹ 1,168.52 million. Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from respective lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, restrict our ability to borrow additional debt, declare dividends or incur capital expenditures beyond prescribed thresholds, change the shareholding pattern or change management of our Company, issue any guarantee, use other banks’ facilities etc. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future.

Further, we typically secure these debt obligations with a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to sell the relevant assets in the event of our default and to exercise other related rights. Under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase and we may become subject to additional conditions from lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or the lenders could decline to lend to us under such agreements. Under some of the credit facilities availed by us, our lenders are entitled to terminate the credit facility in the event of any default committed by us under other loan facilities. The lenders may change the applicable banking policies, increase interest rates or levy penal interest for non-compliances, if any. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case maybe, may adversely affect our business, results of operations and financial conditions. For further details, please see the section entitled “*Financial Indebtedness*” on page 350 of this Draft Red Herring Prospectus.

**26. We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months.**

We have issued Equity Shares in the last 12 months at a price that may be lower than the Offer Price, as set out in the table below:

| Date of allotment | Number of Equity Shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Name of Allottee  | Nature of transaction           |
|-------------------|-------------------------|----------------|----------------------------------|-------------------------|---|---------------------------------|
| March 31, 2018    | 22,770                  | 10             | 1,100                            | Cash                    | Alka Pankaj Gandhi                                      | Rights issue                    |
| September 8, 2018 | 21,037,110              | 10             | –                                | –                       | The existing shareholders of our Company <sup>(1)</sup> | Bonus issue in the ratio of 3:1 |

*(1) Allotment of 10,647,300 Equity Shares to Pankaj Kumar Gandhi, 10,388,310 Equity Shares to Alka Pankaj Gandhi, 300 Equity Shares to Sanyam Gandhi, 300 Equity Shares to Kinjal Gandhi, 300 Equity Shares to Moksha Gandhi, 300 Equity Shares to Devang Sanghvi and 300 Equity Shares to Dinesh Genaramji Mistry.*

The Offer Price is not indicative of the market price following the listing of the Equity Shares. For details, see “*Capital Structure*” beginning on page 82 of this Draft Red Herring Prospectus.

**27. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. However, both of our Promoters, who are Selling Shareholders, will receive proceeds from the Offer for Sale.**

The Offer consists of the Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The entire proceeds of the Offer for Sale will be respectively transferred to the Selling Shareholders and will not result in any creation of value for us or in respect of your investment in our Company. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders, which include our Promoters – Pankaj Kumar Gandhi and Alka Pankaj Gandhi, and our Company will not receive any proceeds from the Offer for Sale. For further details, see “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

**28. Our Subsidiary, Chartered Bike Private Limited may be subject to regulatory action by the RBI for delayed filing of Foreign Liabilities and Assets (FLA) Return pertaining to the investment made by Nextbike GmbH.**

Nextbike GmbH holds 14.61% paid up share capital in our Subsidiary, Chartered Bike Private Limited. Further, Chartered Bike Private Limited is required to file the FLA returns on an annual basis with the RBI for such investment. However, Chartered Bike Private Limited has done delayed filing of the FLA returns for the Fiscal 2017 and 2018 pertaining such investments. Any contraventions of FEMA Regulations on account of the delayed filings of such reports will be deemed to be continuing, until the RBI compounds the same. While no penalties have been imposed on Chartered Bike Private Limited in this regard, we cannot assure you that the RBI will not impose any penalty on us or will not take any penal action in relation to the delays in making the necessary filings. In the event that any adverse actions are taken against us, our results of operations and profitability could be adversely affected

**29. We are dependent on our body building and fabrications unit and in-house technologies used for our fleets. Any failure to identify and address defects or errors in our in-house technologies or body building facility could result in loss of revenue or market share and liability to clients.**

We have a body building and fabrications unit at our Registered Office, equipped with modern technology and equipment which are operated by our dedicated team of professionals. This allows us to enjoy an in-house capability to body building of buses upon the chassis that we purchase from various manufactures. Any failure to identify and address defects or errors in our in-house technologies or body building facility could result in loss of revenue or market reputation and liability to clients.

To keep pace with changing technologies and client demands, we must correctly interpret and address market trends and enhance the features and functionality of our in-house technology and processes in response to these trends, which may lead to research and development costs. We will continue to make investments in our body building and

fabrications unit and processes as we depend on them for a number of functions including vehicle maintenance and body designing. We may however be unable to accurately determine the needs of our clients and the trends in the transportation services industry or to design equipment and implement the appropriate features and functionality of our technology in a timely and cost-effective manner, which could result in decreased demand for our services and a corresponding decrease in our revenue. Despite testing, we may be unable to detect defects in existing or new versions of our in-house technology, or errors may subsequently arise in our technology. Any failure to identify and address such defects or errors could result in loss of revenue or market share, liability to clients and/or others, diversion of resources, injury to our reputation, and increased service and maintenance costs. Further, we may also incur insurance liability from any claims arising from the failure of bus bodies, or parts thereof, manufactured by us, which may have an adverse effect on the results of our operations.

***30. We rely on automated systems and the internet in the operation of our business and retain customer data, which exposes us to risks from systems failures and security breaches.***

We use automated systems in the operation of our business, including our website, our mobile application, and our online booking and revenue management systems, some of which are provided by third parties and online travel agencies. Any inability of such third parties to deliver such services could significantly disrupt our operations and harm our business. Our website, mobile application and online reservation system must be able to accommodate high volume of traffic, during certain periods of time. Hence, we may incur significant costs on our website, mobile application and online reservation systems including building redundancy into systems to ensure smooth operations. Although, we have not experienced any significant system failures, there can be no assurance that system failures will not occur in the future. Any disruption in our automated systems may result in the loss of important data, increase our expenses and materially and adversely affect our reputation and ticket sales and, consequently, our business. Please see the chapter “*Our Business—Information Technology*” beginning on page 144 of this Draft Red Herring Prospectus.

We retain personal information received from customers and have put in place security measures to protect against unauthorized access to such information. Personal information held both offline and online is highly sensitive and, if third parties were to access such information without the customers’ prior consent or misappropriate that information, it could deter people from transacting on our website, our mobile application and therefore our reputation could be adversely affected. Such technology systems may also be vulnerable to malware attacks, which may block or restrict access to these systems and impair their functionality, unless we are able to rectify the situation. If such unauthorized use of our systems were to occur, data related to our passengers and other proprietary information could be compromised. The Information Technology Act, 2000, as amended, read with rules and regulations thereunder requires us to maintain confidentiality of sensitive personal data or information. Our inability to comply with the aforesaid statute can lead to monetary penalties as well as regulatory actions. Further, the Draft Personal Data Protection Bill, 2018, which is proposed draft of data protection law in India, if enacted, will subject us to a higher threshold for storage, processing and protection of personal data as well as greater liabilities for breach of such data. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation and customers could possibly bring legal claims against us, any of which could adversely affect our business, financial condition and results of operations.

***31. We may require additional financing in the future and our operations could be curtailed if we are unable to obtain required additional financing when needed.***

We may need to raise additional capital from time to time, dependent on business requirements. Some of the factors that may require us to raise additional capital include (i) business growth beyond what the current balance sheet can sustain, (ii) additional capital requirements imposed due to changes in the regulatory regimes to which we are subject or new guidelines, and (iii) significant depletion in our existing capital base due to unusual operating losses. While we do not anticipate seeking additional financing in the immediate future, any additional equity financing may result in dilution to the holders of our outstanding Equity Shares. Additional debt financing may impose affirmative and negative covenants that restrict our freedom to operate our business, including covenants that:

- any change in capital structure of the Company;
- formulate any scheme of amalgamation or reconstitution;
- implement any major scheme of expansion;
- invest by way of share capital in or lend or advance funds to or place deposits with any other concern;

- enter into additional borrowing arrangements (including securitization of receivables or provide escrow facilities), either secured or unsecured;
- undertake guarantee obligations on behalf of any other company / firm etc.;
- allow the promoters / directors to alienate, transfer, dispose or dilute their shareholding or material change in ownership of our Company;
- declare dividends for any year out of profits relating to the year if any of the financial commitments to the bank have not been fully met;
- Withdraw funds from the business out of the profits relating to the year if any of the financial commitments to the bank have not been fully met;
- Repay monies brought in by promoters / directors, principal shareholders, friends and relative in the business by way of loans / deposits / share application money etc. and pay interest on any unsecured loan brought in as a quasi-equity;
- Enter in to long term contractual obligation/s directly affecting the financial position of the company / firm;
- Create or suffer any charge, lien, pledge, hypothecation or encumbrance or any part thereof nor do or allow anything that may prejudice the bank's security over secured assets;
- Divert the facilities to inter-corporate deposits, debentures, stocks and shares, real estate business, etc.

We cannot guarantee that we will be able to obtain additional financing on terms that are acceptable to us, or any financing at all, and the failure to obtain sufficient financing could adversely affect our business operations.

***32. Our insurance may be insufficient to cover all losses associated with our business operations.***

We procure insurance for our operations against third-party liability, transportation risks, property loss and damage, and workers' compensation for injury and death. Our existing insurance coverage may be insufficient to cover all the risks associated with our business and operations and generally do not cover losses from business interruption. Further, insurance coverage for certain types of risk, and in particular, with respect to our commercial vehicles as well as a policy for protection of our building, plant and machinery at our Registered Office against the risk of fire and special perils. We also cannot assure you that we will renew our existing insurance policies in a timely manner or at all.

In the case of an uninsured loss, a loss in excess of insured limits or a loss for which we do not have coverage or coverage is prohibitively expensive, including those caused by natural disasters and other events beyond our control as well as for certain types of perishable goods, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations. Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures. Furthermore, our claim records may affect the premiums which insurance companies may charge us in the future.

***33. Our business and growth prospects depend on our ability to continue to attract and retain qualified personnel, including our senior management.***

We believe the experience of our senior management has been critical to our success and business growth and our continuing success depends on our ability to attract and retain a large group of experienced professionals, especially, since there is a limited availability of experienced professionals in the passenger transportation industry in India. As a result, any loss of the services of any members of our senior management and our failure to recruit and retain a sufficient number of experienced personnel as part of our senior management could materially and adversely affect our business, financial condition and results of operations. In addition, the replacement of members of management may not be straight forward or achievable in a timely manner, and we may be required to wait in definitely to fill positions until we find suitable candidates. Furthermore, attracting and retaining experienced and qualified personnel could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and accordingly, our financial condition and results of operations.

**34. We do not own our logo. If we are unable to protect our trademarks and trade names, it may have a material adverse effect on our business prospects, reputation and goodwill.**

We believe that our success depends, in part, on our brand image. We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our business from those of our competitors and creating and sustaining demand for our services. Further, we do not own our corporate logo “



and have obtained non-exclusive rights to use it from our Promoter, Pankaj Kumar Gandhi through a Trademark License Agreement dated September 18, 2018 for a royalty of ₹ 0.50 million per annum subject to increments of 10% each year for the first five years after the date of execution of the agreement. Pankaj Kumar Gandhi has filed the application for the registration of our corporate logo before Registrar of Trademarks, Ahmedabad and the same is pending as on date of this Draft Red Herring Prospectus. For further information, see “Our Business – Intellectual Property” on page 144 of this Draft Red Herring Prospectus.

While we endeavor to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require us to introduce changes to our operations. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. We could be required to pay third party infringement claims, alter our business methodology, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to cease distribution of affected formulations or active ingredients, our revenue could be materially and adversely affected. Further, if our Promoter’s unregistered trademark is registered by a third party, we may not be able to make use of such trademark in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Until such time that our Promoter, receive registered trademark, we can only seek relief against “passing off”. Accordingly, we may be required to invest significant resources in developing a new brand.

**35. We have certain contingent liabilities that have not been provided for in our Restated Financial Statements, which if they materialize, may adversely affect our financial condition.**

We usually need to provide earnest money deposits/ performance guarantees when we undertake any new projects, which are often demanded by our clients to protect them against potential defaults by us. We thus may have substantial contingent liabilities from time to time depending on the projects we undertake.

As of March 31, 2018, our contingent liabilities, on a consolidated basis, that have not been provided for were as follows:

| <b>Particulars</b>  | <b>(₹ in million)</b><br><b>Amount</b> |
|---|--|
| In respect of guarantees given by Banks and/ or counter guarantees given by the group | 121.23                                 |
| In respect of Income Tax matters pending before appellate authorities                 | 1.21                                   |
| Claims against the group not acknowledged as debts                                    | 2.01                                   |

For further details, see “Note 27 – Contingent Liabilities and Commitments - Restated Standalone Financial Information” and “Note 27 – Contingent Liabilities and Commitments - Restated Consolidated Financial Information” on pages 284 and 230, respectively this Draft Red Herring Prospectus.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial conditions and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current financial year or in the future.

**36. *We are dependent on our relationship with certain members of our Promoter and our Promoter Group. Any adverse change in our relationship with our individual Promoters could adversely affect our business, results of operations, financial condition and cash flows.***

We benefit from our relationship with certain members of our Promoter and our Promoter Group and our success depends upon the continuing services of our Promoters and certain members of our Promoter Group who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters and certain members of our Promoter Group have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, we benefit from our relationship with our Promoters and certain members of our Promoter Group and our performance is heavily dependent upon the services of our Promoters and certain members of our Promoter Group. However, we cannot assure that we will be able to continue to take advantage of the benefits from these relationships in the future. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all, which could adversely affect our business operations and growth prospectus and affect our ability to continue to manage and expand our business.

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

Our Company intends to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus. Subject to this section, our management will have broad discretion on deployment of the Net Proceeds. Whilst a monitoring agency will be appointed in compliance with the SEBI ICDR Regulations for monitoring utilisation of Net Proceeds, the funding requirements and the proposed deployment of the Net Proceeds of the Offer are based on management estimates, quotations and our current business plan, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

**38. *We may be exposed to negative customer experiences or negative publicity. Failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. Any adverse publicity, whether or not accurate, relating to our services, safety, injury or any news reports or government or industry findings resulting in a decrease in market share resulting from a decrease in demand for our services. If our customers perceive or experience a reduction in our hospitality standards, service, ambience, it may affect demand of our services.

Failure to meet the requirements of our passengers, or a failure to develop effective reputational risk mitigation measures, could have an adverse effect on our reputation, guest loyalty and consequently, our business, results of operations and financial condition.

**39. *All of our branch offices are located at rental or leased premises. If we are unable to renew our lease or license in relation to these offices in a timely manner or at all or enter into fresh arrangements on favourable terms or at all, our business, financial condition and results of operations may be adversely affected.***

As on August 31, 2018, we had a total of 44 branch offices out of which 19 are located in Madhya Pradesh, 3 are located in Rajasthan, 7 are located in Maharashtra and 15 are located in Gujarat. Our business and operations are significantly dependent on our branch offices. Most of our branches are located on land that we hold on a leasehold basis under leave and license agreements or lease agreements. If we are unable to continue to use our branch office which are located on leased premises during the period of the relevant lease or extend such lease on its expiry on commercially acceptable terms, or at all, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. In addition, some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law.

**40. *Our Promoters have given personal guarantees in relation to certain debt facilities obtained by our Company. In the event our Company default on any of these debt obligations, these personal guarantees may be invoked by the lenders or the borrowed amount may be called for repayment, as applicable, thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this in turn could adversely affect our business, prospects, financial condition and results of operations.***

Our Promoters have given personal guarantees, totalling ₹ 765.45 million as at March 31, 2018, in relation to certain debt facilities obtained by our Company. In the event of default on the debt obligations, the guarantees may be invoked by our lenders thereby adversely affecting our Promoters ability to manage the affairs of our Company and this in turn could adversely affect our business, prospects, financial condition and results of operations. Further, in the event that any of these guarantees are revoked by our Promoters, our lenders may require alternate guarantees, repayment of amounts outstanding under the aforesaid facilities, or they may even terminate such facilities. We may not be able to procure other guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition and cash flows. In event of default on the debt obligations, the guarantees may be invoked by the lenders or the borrowed amount may be called for repayment, as applicable, thereby adversely affecting our Promoters ability to manage the affairs of our Company and this in turn could adversely affect our business, prospects, financial condition and results of operations.

**41. *Misconduct by our employees and individual agents may be difficult to detect and deter and could harm our brand and our reputation, or adversely affect our business prospects, results of operations and financial condition.***

We may be subject to, fraudulent activities such as breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards by employees and individual agents. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or negligence could result in incidents/accidents or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in such cases, our reputation, business prospects, results of operations and financial condition could be adversely affected.

**42. *We have capital commitments to our Subsidiaries and any failure in performance, financial or otherwise, of our Subsidiaries in which we have made investment could have a material adverse effect on our business, prospects, financial condition and results of operations of our Company.***

Our Company has made and continues to incur capital investments and other commitments either at the company level or directly in its Subsidiaries for augmenting their respective businesses. We propose to utilize part of the Net Proceeds for the investment in our Subsidiary, Chartered Bus Private Limited, for repayment/pre-payment of certain borrowings availed by our Subsidiary. These investments and commitments may include capital contributions to enhance the financial condition or liquidity position of our Subsidiaries. Our Company may make further capital investments in the future, which may be financed through additional debt, including through debt of our Subsidiaries. If the business and operations of these Subsidiaries deteriorate, our Company's investments may be required to be written down or written off. Additionally, certain advances may not be repaid or may need to be restructured or receivables may not be collected or our Company may be required to outlay further capital under its commitments to support such companies. For details of our investments outstanding advances to and receivables from our Subsidiaries as on March

31, 2018 refer to “*Financial Statements*” on page 203 of this Draft Red Herring Prospectus. The obligation of our Company towards Subsidiaries is restricted to providing funding requirements in enhancing the business of its subsidiaries and providing credit support for various loans availed by them. Any failure in performance, financial or otherwise, of our Subsidiaries in which we have made investment could have a material adverse effect on our business, prospects, financial condition and results of operations of our Company.

***43. Our Company has issued certain corporate guarantees for one of our Subsidiaries which if invoked would materially adversely affect our financial condition.***

Our Company has issued the corporate guarantees for an amount of ₹ 10.00 million on standalone basis, in favour of certain lenders of our Subsidiary Companies. The lenders may enforce the guarantees against our Company, if any of such Subsidiary Companies, breach its obligations under the relevant loan agreements. The lenders may also require alternate or additional guarantees, collaterals, accelerated payments of outstanding amounts or terminate the relevant loan facilities if they determine that our Company’s guarantees are inadequate. We may not be successful in providing the required guarantees or at all and may need to repay outstanding amounts or seek additional sources of capital, which could affect our cash flows, financial condition and results of operation.

***44. Our Restated Financial Statements may not be comparable***

Our Restated Financial Statements included in this Draft Red Herring Prospectus for the Financial 2015 and 2014 have each been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Our Restated Financial Statements included in this Draft Red Herring Prospectus for the Financial 2018 and 2017 have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Further, our Restated Financial Statements included in this Draft Red Herring Prospectus for the Financial 2016 has been prepared in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India. As a result, our financial statements for the Financial 2015 and 2014 may not be comparable with our financial statements for the Financial Years 2018, 2017 and 2016.

***45. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

Any dividends to be declared and paid in the future are required to be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future. For information relating to dividend declared by us in the past, see “*Dividend Policy*” on page 202 of this Draft Red Herring Prospectus.

***46. Natural disasters, fires, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), terrorist attacks and other events, many of which are beyond our control, may lead to instability in the Indian economy, or in one of our operating geographies, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of vehicles, resulting in the suspension of operations, and may prevent us from performing services for our customers or generally reduce our performance.

Further, India has witnessed terrorist attacks and civil disturbances in recent years and it is possible that there may be future terrorist attacks or civil unrest as well as other adverse social, economic and political events in India which could have a negative effect on our operations. 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 price of our Equity Shares.

**47. *Our Promoters will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us. We cannot assure you that our Promoters will always act in the Company's or your best interest.***

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

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

This Draft Red Herring Prospectus includes information that is derived from the CRISIL Report, pursuant to an engagement with our Company. We commissioned this report for the purpose of confirming our understanding of the passenger transport industry in India. Neither we (except as otherwise indicated), the Selling Shareholders, the Book Running Lead Manager, nor any other person connected with the Offer has verified the information in such report. The CRISIL 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 assumptions set out in the CRISIL Report are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company.

**49. *Our business is dependent on the road network in India and our ability to utilise our fleet in an uninterrupted manner. Any disruptions or delays in this regard could adversely affect us and lead to a loss of reputation and/or profitability.***

The passenger transportation services we provide are dependent on the road network in India. There are various factors which affect road transport such as political unrest, bad weather conditions, natural calamities, road construction, road quality, regional disturbances, fatigue or exhaustion of drivers, improper conduct of the drivers, accidents or mishaps and third-party negligence. Even though we undertake various measures to avoid or mitigate such factors to the extent possible, some of these could cause extensive damage and affect our operations and/or the condition of our buses, thereby increasing our operational and maintenance costs. Also, any such interruption or disruptions could cause delays in the travel time of the passengers to their destination and/or also cause accidents. We may be held liable to pay compensation for losses incurred in this regard, and/or losses or injuries sustained by other third parties. Further, such delays and/or damage may cause a loss of reputation, which, over a period of time could lead to a decline in business.

Although, some of these risks are beyond our control, we may still be liable for the timely operation of our services and any disruptions or delays of our services could adversely affect us and lead to a loss of reputation and profitability. Under the terms of certain of our agreements with our customers, we are required to facilitate customers' insurance claims for disruption of our services and to compensate such passenger if we fail to do so. In addition, any prolonged or significant downtime of our transportation vehicles or related equipment caused by unforeseen circumstances may cause major disruptions to our operations. In the event we are affected by such prolonged and significant downtime of our vehicles or equipment, our operations and financial performance may be materially and adversely affected.

#### **External Risk Factors**

**50. *There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on BSE and NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

***51. Future issuances or sales of the Equity Shares by any existing shareholders could significantly affect the trading price of the Equity Shares.***

The Equity Shares offered in the Offer will be freely tradable without restriction in the public market. The existing shareholders will be entitled to dispose of their Equity Shares following the expiration of a one year “lock-in” period, other than the minimum Promoters’ Contribution of 20 % of the Equity Shares of our Promoters that will be locked in for three years. Any future equity issuances by us, including pursuant to any employee stock option plans that we may have, or sales of the Equity Shares by our Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

Furthermore, the market price of the Equity Shares could decline if some of our existing Shareholders sell a substantial number of Equity Shares subsequent to listing or the perception that such sales or distributions could occur. This, in turn, could make it difficult for you to sell Equity Shares in the future at a time and at a price that you deem appropriate.

***52. The transportation industry is affected by numerous factors that are beyond our control which may have an adverse impact on our business, results of operations and financial condition.***

Businesses operating in the passenger mobility industry are affected by numerous factors that are out of our control, including traffic conditions, road closures and construction-related and other delays. Further, inter-State travel may cause significant delays and poor journey time reliability on road movements. Our operations, and the infrastructure on which they depend, can be affected by a number of different external factors, many of which are not within our control. These factors include terrorism, adverse weather events and potentially climate change or pandemics. An attack or threat of attack could lead to reduced public confidence in public transportation and/or specifically in our Company’s security and safety record, and could reduce demand for our services, increase costs or security requirements and cause operational disruption. Greater and more frequent adverse weather could lead to interruptions or disruption to service performance and reduced customer demand with consequent financial impact, potential increased costs and accident rates. As a leading passenger provider, we face the challenge of addressing climate change, both through managing its impact and reducing our carbon emissions.

These events cause additional costs, both in terms of actual fees and charges for services provided, and as a result of time delays. We cannot assure you that these factors and conditions will not affect our passenger mobility schedules, impact our ability to operate without disruption or otherwise have a material adverse effect on our business, financial condition and results of operations. In addition, many local, state and central transportation authority’s levy tolls on vehicles for their use of highways and other roads. As the need for improvements to these highways and other roads arise, we expect that many of these tolls fee may be increased and that other transportation authorities will levy additional tolls and fees on vehicles for use of the roadways. We cannot assure you that we will be able to pass any portion these expenses on to our customers, and any failure to do so could have a material adverse effect on our business, financial condition and results of operations.

***53. Any adverse revision to India’s debt rating by a domestic or international rating agency could adversely affect our business.***

Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

***54. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated 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 affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

Our Company is incorporated under the laws of India, all of our Directors and all of our Promoters, Promoter Group, Key Management Personnel and senior management personnel reside in India. Furthermore, all of our assets, and the majority assets of our Promoters, Directors, Key Management Personnel and other senior management, are also located in India. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions which includes the United Kingdom, Singapore and Hong Kong.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedures, 1908 (the "**Civil Code**"). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India.

Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as 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 to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

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

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

fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

***57. Our ability to raise capital outside India may be constrained by Indian law, which may adversely affect our financial condition, results of operations and prospects.***

We are subject to foreign exchange controls laws in India that regulate borrowing in foreign currencies. Such regulatory restrictions limit our sources of financing our operations and hence could constrain our ability to obtain financing arrangements on competitive terms. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

Limitations on foreign debt may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions may have an adverse effect on our business growth, financial condition and results of operations.

***58. Changes in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.***

The Government of India is presently in the process of reforming Indian tax laws. Such reform or changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- The Government has enacted the CGST, 2017 to lay a comprehensive national GST regime that combines taxes and levies by the central and state governments into a unified rate structure, which has been implemented with effect from July 1, 2017, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the central and state governments.
- As regards the general anti-avoidance rules (“GAAR”), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.
- The Government has issued a notification dated September 29, 2016 notifying a set of Income Computation and Disclosure Standards (“ICDS”) that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of “Profits and gains of business/profession” and “Income from other sources”. The ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

We have not determined the impact of such proposed legislation on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations governing our business, operations and group structure may result in us being deemed to be in contravention of such laws and/or may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources. Any unfavourable interpretation of existing Tax statutes including Direct / indirect Taxes or Tax authorities challenging any part of arrangement or business may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**59. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.**

The Restated Financial Information for Fiscal 2018, 2017 and 2016 included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies Act, 2013, and Restated Financial Statements for Fiscals 2014 and 2015 included in this Draft Red Herring Prospectus have been prepared under Indian GAAP under the Companies (Accounts) Rules, 2014. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, we have presented reconciliation from Indian GAAP to Ind AS. For further details, see the section "*Financial Statements*" on page 203 this Draft Red Herring Prospectus.

Except as otherwise provided in the "*Financial Statements*" on page 203 of this Draft Red Herring Prospectus with respect to Indian GAAP and Ind AS, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements, which are restated in accordance with the SEBI ICDR Regulations, included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS.

Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In addition, our Restated Financial Statements may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

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

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India even if Securities Transaction Tax ("STT") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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

**61. QIBs and Non-Institutional Bidders 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 Bidders 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 Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date, events affecting the Bidders' decision to invest in our Equity

Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or may cause the trading price of our Equity Shares to decline on listing.

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

Indian legal principles related to corporate procedures, 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.

**63. *You will not be able to immediately sell, on an Indian stock exchange, any of the Equity Shares you purchase in the Offer.***

The Equity Shares will be listed on BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is to commence within six working days of the date of closure of the Offer. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed under law.

**64. *We are not able to guarantee the accuracy of third party information.***

Market data and certain information and statistics relating to us and general market/industry data are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us and the BRLM, and, therefore, we make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

**Prominent Notes:**

- Initial public offering of up to [●] Equity Shares of face value ₹ 10 each of our Company for cash at a price of ₹ [●] per equity share including a securities premium of ₹ [●] per Equity Share, aggregating to ₹ 2,730.00 million. The Offer comprises a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,250.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 480.00 million by the Selling Shareholders being the Promoters, including up to [●] Equity Shares aggregating up to ₹ 240.00 million by Pankaj Kumar Gandhi and up to [●] Equity Shares aggregating up to ₹ 240.00 million by Alka Pankaj Gandhi. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. For further details, see "*The Offer*" on page 71 of this Draft Red Herring Prospectus.
- For details of the change in name of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus and the reasons for such change, see "*History and Certain Corporate Matters*" on page 167 of this Draft Red Herring Prospectus. There has been no change to the objects clause of the Memorandum of Association of our Company or any change in our business activities during the three years immediately preceding the date of this Draft Red Herring Prospectus.
- As of March 31, 2018, our Company's net worth was ₹ 591.45 million as per our Restated Consolidated Financial Information and ₹ 591.85 million as per the Restated Standalone Financial Information. For details, see "*Financial Statements*" on page 203 of this Draft Red Herring Prospectus.

- As of March 31, 2018, the net asset value per Equity Share was ₹ 21.09 as per our Restated Consolidated Financial Information and ₹ 21.10 as per the Restated Standalone Financial Information. For details, see “*Financial Statements*” on page 203 of this Draft Red Herring Prospectus.
- Bidders may contact the Book Running Lead Manager, who have submitted the due diligence certificate to SEBI and the Registrar to the Offer for any complaints pertaining to the Offer. For details of contact information of the Book Running Lead Manager, please see the section entitled “*General Information*” beginning on page 73 this Draft Red Herring Prospectus.
- The average cost of acquisition per Equity Share by our Promoters and the Selling Shareholders is:

| <b>Name of Promoter / Selling Shareholders</b> | <b>Number of Equity Shares held</b> | <b>Average cost of acquisition (In ₹)*</b> |
|--|-------------------------------------|--|
| Pankaj Kumar Gandhi                            | 14,196,400                          | ₹ 0.93                                     |
| Alka Pankaj Gandhi                             | 13,851,080                          | ₹ 3.26                                     |

\* As certified by Mukesh M Shah & Co., Chartered Accountants by way of their certificate dated September 25, 2018.

For details, see “*Capital Structure*” on page 82 of this Draft Red Herring Prospectus.

- For details of related party transactions entered into by our Company with our Group Companies during the last year immediately preceding the date of this Draft Red Herring Prospectus including the nature and the cumulative value of such transactions, see “*Our Group Companies*” and “*Related Party Transactions*” on pages 194 and 201, respectively of this Draft Red Herring Prospectus.
- There has been no financing arrangement whereby the members of the Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the six months period preceding the date of the Draft Red Herring Prospectus.
- None of our Group Companies have any business or other interest in our Company, except as stated in “*Related Party Transaction*” on page 201 and “*Our Group Companies*” on page 194 of this Draft Red Herring Prospectus.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

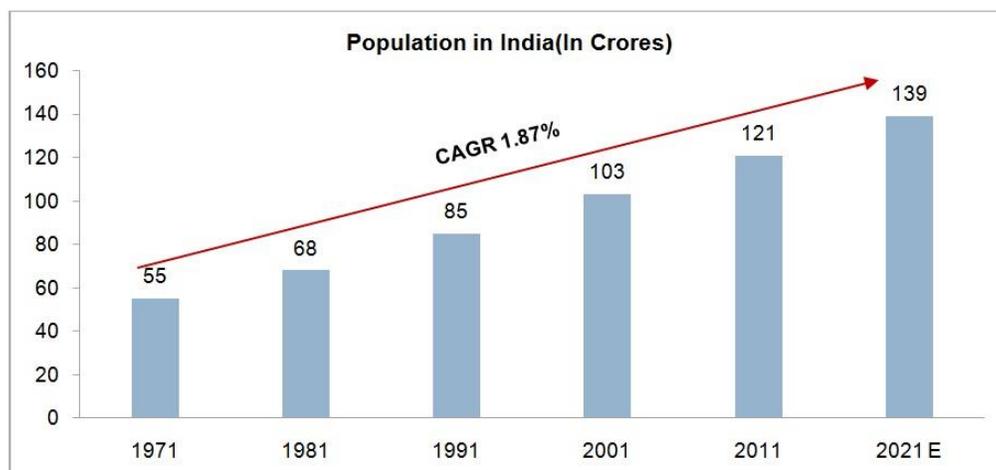
#### GDP growth

Consumption and investment are the major drivers of any economy. In recent years, India has grown primarily on the engine of consumption; investment has been decelerating. GDP (real) grew at compounded annual growth rate (CAGR) of 6.83% between Fiscals 2013 and 2018. It slowed between Fiscals 2012 and 2014, mainly because of sluggish income growth, high interest rates, and persistently rising inflation; slowdown in industrial output was also a contributing factor. Post Fiscal 2014, improving industrial activity, lower crude oil prices, and supportive policies led to a recovery. However, demonetisation and GST (goods and services tax) implementation put the brakes on GDP growth once again in Fiscal 2017, along with dwindling private investment and slower global growth.

#### Population growth in India

India's population has grown from 1.05 billion in 2000 to an estimated 1.34 billion in 2017. India is the second most populous country in the world. Higher population creates high demand for goods and services which boosts nation's development. Today, India is one of most attractive country for investments, because of its market size with its own dynamics. However, decadal population growth rate (period of 10 years) has declined from 19.87% to 14.99% from 1971 to 2011, and is estimated to reduce further to 12.78% in 2021. India's fertility rate is also reducing and is expected to reach 2.1 (replacement level) by 2020. (Replacement-level fertility is the level of fertility at which a population exactly replaces itself from one generation to the next.)

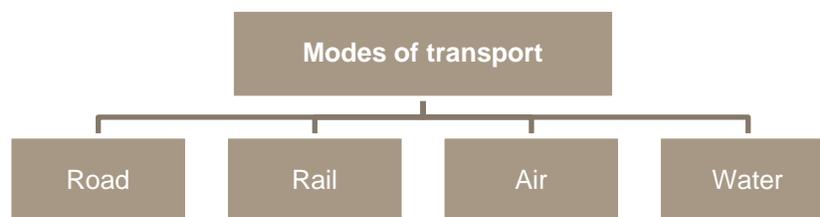
#### Population growth in India



Source: India Census, CRISIL Research  
E: Estimated

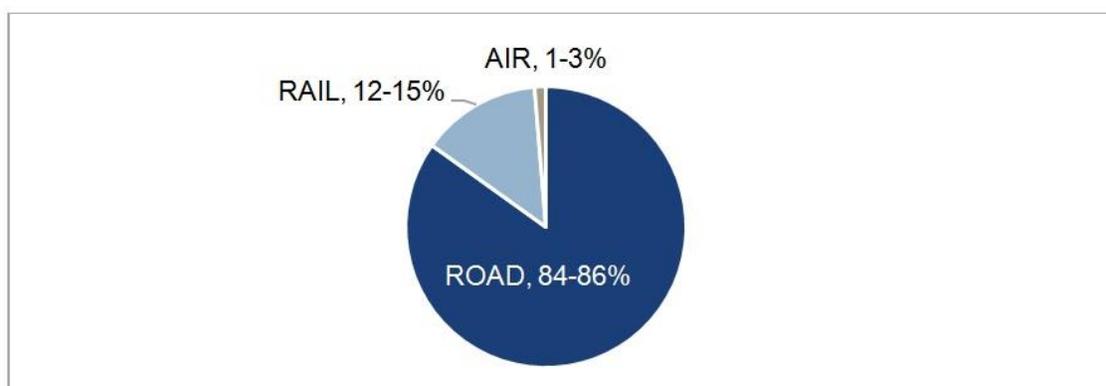
#### Transport infrastructure in India

Infrastructure plays a key role in any developing economy, propelling overall development of economy. Passenger transport heavily relies on availability of good transport infrastructure. Modes of transport can be broadly classified as:



Of the four modes listed above, road dominates passenger transport followed by rail; air is minuscule compared to other modes of transport. Waterway as a share of passenger transport has reduced to almost nil. Transport infrastructure has a strong bearing on modes of transport preferred and used by passengers.

Passenger travel is dominated by road, followed by rail. The share of air traffic is minuscule in overall passenger movement at a pan-India level, as shown in the following figure.



Source: CRISIL Research

The transport sector contributes 6% of the country's GDP with road transport accounting for around 70% share. India has the second-largest road network in the world, aggregating 5.4 million km. Roads are the most common mode of transportation and account for about 84-86% of passenger traffic and close to 64-66% of freight traffic. Highway traffic in the country is on a growth trajectory. Road transport is likely to account for around 50% of both freight and passenger traffic.

### Road infrastructure

Road projects in India have largely been financed through public funds. While there is significant private sector participation in national highway projects, we foresee public funding in national highways to remain high over next five years. CRISIL Research estimates ₹ 10.9 trillion will be invested in road projects between Fiscals 2019 and 2023, with public funds (central and state governments) dominating overall spending.

### Passenger transportation in India

Indians are more avid travelers with an average of 5.6 trips annually, according to the Global Travel Intention (GTI) report 2018 by Visa, significantly above the global average of 4.2 trips and Asia Pacific average of 4.7. For Indians, bonding with family is cited as the main motivator for travelling, although 'disconnecting' and 'reward' are close behind, the report said. Culture or heritage, time available and good scenery are key drivers while choosing holiday destinations. As per CRISIL Research estimates, over the past five years passenger movement has grown at compounded rate of 3.4%.

## **Mobility**

Mobility for human beings is a basic need which has evolved from walking to animal powered carts and mechanised means of transportation. Mechanised transport such as trains, buses cars and airplanes have helped bridge distances and ensure efficient, safe and economical transportation.

Passenger mobility can also be classified by motorisation as non-motorised (predominantly bicycles) and motorised transportation. Motorised transport has seen a strong growth with increase in real income of the population and falling real cost of owning a vehicle. Private transport which includes cars and two wheelers have seen faster growth compared to public transport which includes buses and trains.

The growth in passenger transport in any country is determined by two broad factors which are - the need for travel and available modes for travel. The need to travel for purposes such as employment and education are fairly inelastic (does not get impacted significantly by change in cost of travel). In a country like India where the population is expected to grow at a steady pace for at least a couple of decades, the demand for passenger transport will continue to grow. However the mode of travel selected by passengers will depend on multiple factors of which the most important are - availability of transport and total cost of transport (including cost of owning the vehicle).

### **Bus transportation in India**

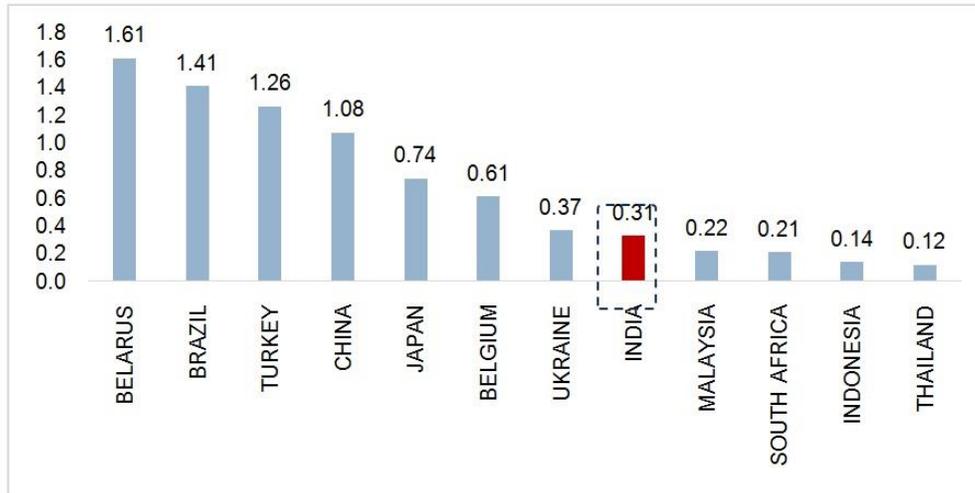
Buses are the most common mode of transport in the world. Bus transportation accounts for 55% of overall passenger movement in India and 63% of road passenger movement in India. As per our estimates, the bus passenger transport industry is about ₹ 4,000 – 4,500 billion in FY 2017-18.

Public bus transport has good connectivity and is also affordable. Cost of bus transportation is amongst the lowest of all road transport modes. Further, bus transport is very efficient from both - fuel consumption per passenger as well as from a traffic congestion perspective. While a bus with can carry about 10 times as many passengers as a car does it only consumes 3 times as much fuel and from a traffic congestion perspective is equivalent to 4 cars (4 passenger car units).

The number of buses operating in India increased at a CAGR of ~5% during FY2012 to FY2017. Bus penetration in India is very low as compared to other developing and developed countries. Brazil being a developing countries has 1.41 buses per thousand people whereas India has only 0.31. As per the Census 2011, More than 50% of workforce (excluding domestic and agriculture) continue to work at home or travel to their workplace by foot in the absence of adequate transport facilities.

## Global comparison shows India lagging in bus transportation

**Bus Penetration (Per 1000 People)**



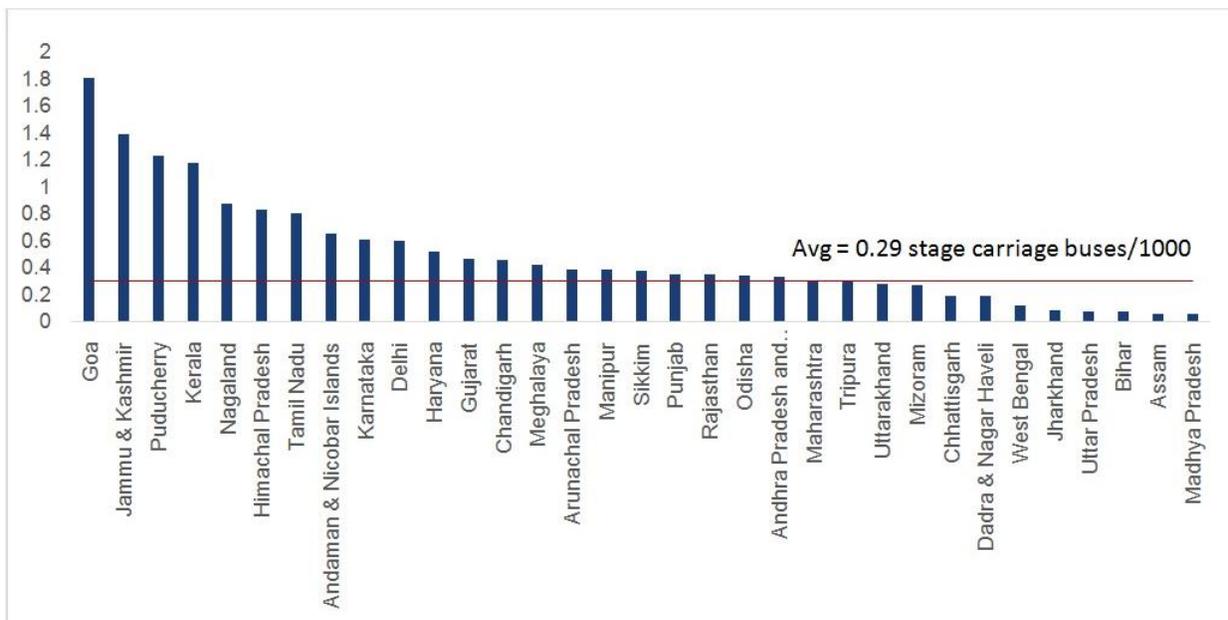
Source: OICA, CRISIL Research

Note: For the purpose of comparison penetration for buses is calculated as per OICA definition of Buses and Coaches for all countries

## Penetration of buses (stage carriages) in Indian states & union territories

In India, stage carriage buses are operated by both public as well as private operators. Stage carriage bus is a motor vehicle constructed or adapted to carry more than six passengers, excluding the driver for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey.

**State-wise comparison of stage carriage buses (Per 1000 People)**



Source: MoRTH, CRISIL Research

India has an average penetration of ~0.29 for buses (stage carriage) per 1000 people which is considered to be low. However, if we look at the numbers more closely there is a wide variation between states. At a pan-India level around 47% of the population live in states with below the national average bus penetration which, goes to show that there is still a long way to go for our country in making public transport accessible to all.

### **PPP model of bus operations**

**Net cost model:** In this model the STU awards the tender to the private operator who quotes the highest royalty/premium which is a share of the profit or a fixed payment to be paid by operator to the STU.

**Gross cost model:** In this model the operator usually who bids the lowest will usually get a fixed payment based on the number of kilometres per day or a combination of parameters as decided in the contract.

### **Key Demand Drivers**

#### **State transport undertakings**

Majority of the STUs are under financial stress. They don't have the resources for capital investment to increase fleet size, modernise workshops, deploy information and technology, etc. As a result, operating cost remains high.

JNNURM I buses, sold during the peak seasons of FYs 2011 and 2012, are expected to be replaced once funds are released by the central and state governments for purchase. Replacement with new buses may lead to higher lower operational and maintenance cost and improve STU's profitability. Negligible demand was seen from Jawaharlal Nehru National Urban Renewal Mission (JNNURM) II deliveries in FY 2018 as majority of the deliveries were completed.

#### **PPP model for financially strained STU's**

PPP model of bus operations allow STU's to operate buses by bidding out routes to private operators where the lowest bidder will be awarded a contract to run a set number of buses on these routes for the contract period of a few years. Due to the presence of an experienced private operator who also invests capital to operate the buses the upfront capital requirement for STU's is reduced which allows them to operate a larger fleet of buses for a given amount. This has been successfully implemented in some cities such as Ahmedabad, Surat etc. which presents an opportunity for experienced bus fleet operators.

#### **Increase in Intra-city transportation**

India's population is growing at 0.96% CAGR, whereas cities are growing at much higher rate, e.g., Mumbai (2.15% CAGR), Delhi (2.03% CAGR), Bengaluru (2.15% CAGR), etc. Population of Tier 2 and Tier 3 cities is growing at a much higher rate, e.g., Pune (10.23% CAGR), Ahmedabad (5.47% CAGR), Indore (4.99% CAGR), etc. The need for public transport is increasing as the urban congestion is rising. AS per census 2011, 31% of the population resides in cities which are expected to reach 39% by 2030.

#### **Staff carriers**

Corporates provide bus services to their employees to make it easier for them to travel to work. IT and BPO services, which is a labour intensive sector has traditionally provided buses services to most employees. Employment in the IT & BPO sector has grown at 4.89% CAGR in the last five years. At end-FY 2018, 38.61 lakh employees were employed in the IT & BPO sector.

Another segment supporting the demand for staff buses is the manufacturing sector. Many of the manufacturing units are set up far away from cities and villages for health and safety reasons, which make it difficult for employees/workers to reach work location where staff buses are provided as a convenience by the company. Manufacturing sector employs 12% of the nation's labour force; and is currently performing below its potential level. The penetration of staff buses in manufacturing sector is very low compared to the IT and BPO sector due to which there is significant room for growth which has kept staff bus demand going.

## **Schools and educational institutes**

In India, the education industry can be classified into two categories: K-12 school education (kindergarten to grade 12) and higher education (including graduation and post-graduation courses).

Public sector institutions primarily cater to households that cannot budget for children's education. A majority of these schools are run by state governments in conjunction with local bodies. Government expenditure (budgeted) on education has increased at 5% CAGR over the past four years (FYs 2014 to 2018). Public expenditure on education constituted 4.1% of GDP in 2014, which was on par with rest of the world. However, India also boasts of a larger target population (below 20 years) of 38%, compared with the world average of 34%. Further, a larger share (75-80%) of public expenditure goes towards maintenance of the existing infrastructure, leaving fewer resources for expanding capacities.

### **School bus norms – opportunity for reputed players**

The government has introduced regulation for the construction of school buses which specifies the colour requirement, additional safety features such as GPS location tracking, speed governors limiting maximum speed, handrail and handhold for service doors, emergency exits, hazard warning on door locks etc.

Apart for these, school bus operation norms have also been specified by the Honourable Supreme Court of India which requires a Transport Manager in charge of the operations. The bus needs to have a conductor, a lady passenger on the bus and physical fit driver with at least 5 years of heavy vehicle driving experience and involvement of school authorities to ensure that safety precautions are implemented.

## SUMMARY OF BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors affecting our Results of Operations” on pages 19 and 310, respectively, of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 203 of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Chartered Speed Limited on a consolidated basis and references to “the Company” or “our Company” refers to Chartered Speed Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Passenger Transport Industry in India” released in August, 2018 (the “**CRISIL Report**”) prepared and issued by CRISIL commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are engaged in the business of providing passenger mobility solutions across various modes of surface transport in India with an operational fleet of over 750 passenger vehicles and over 430 Smart Bikes. We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations (*Source: CRISIL Report*). We provide inter-city passenger mobility solutions through our bus operations largely focused in Central and Western India with an expanding footprint in Northeastern India. We also provide services to state transport undertakings (“STUs”) for their intra-city passenger mobility operations in the form of city buses and bus rapid transit system (“BRTS”). Further, we also provide passenger mobility solutions in three other business segments, which are: (i) school buses and staff buses for corporate customers, (ii) automated public bicycle (“**Smart Bike**”) sharing system and (iii) rental and self-drive cars. With a focus on strategic backward integration, we have developed an in-house body designing and building facility for the buses for our own use and for supply to third parties including STUs.

We commenced our operations in Fiscal 2010 with a fleet of 15 buses in the intra-city segment for BRTS Ahmedabad) and have grown our fleet to a total of over 700 operational buses in our inter-city and intra-city segment, as well as our school and staff buses as on August 31, 2018. Further, as on August 31, 2018, our fleet also comprised of over 430 Smart Bikes and over 45 rental and self-drive cars. For details of our fleet, please see “- *Bus Fleet*” on page 159 of the Draft Red Herring Prospectus. However, our operations are primarily focused on our inter-city bus operations in which we serviced over 2.44 million passengers and our intra-city operations which covered over 34 million kilometres, in Fiscal 2018. We believe that owning the majority of our operational fleet enables us to significantly reduce hiring and operational costs and provide reliable services to a large addressable market across a broad geographic spectrum.

We provide inter-city passenger mobility solutions through our widespread transportation network, which spanned across a total of 26 cities in the state of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra, as on August 31, 2018. For our inter-city passenger mobility operations, we operate over 120 buses driven by over 250 drivers who are in the full-time employment of our Company. In this segment, our buses serviced over 2.44 million passengers in Fiscal 2018 over several routes covering cities with high density urban commuter markets such as Indore, Ahmedabad, Pune,

Mumbai, Jaipur and Bhopal among others. We also connect metropolitan, tier-II and tier-III cities, such as Bhubaneswar, Udaipur, Ratlam, Jabalpur, Shirdi, Jamnagar and Kota. Additionally, we have recently entered into an agreement with the Assam State Transport Corporation (“ASTC”) for operation of buses for inter-city transport between certain cities in Northeastern India. Majority of our buses covering inter-city routes are equipped with amenities such as Wi-Fi, charging points, reading lights, CCTV cameras and GPS tracking services.

The ticketing facilities for our inter-city passenger mobility operations are provided by us through various channels such as our website [www.charteredbus.in](http://www.charteredbus.in), mobile application ‘Chartered Bus’, our own branch offices, as well as through online travel agents. Using our website, customers can review the availability and fares of tickets of any route and stoppage of our buses and book the tickets. Our mobile application is available for customers allowing them to manage bookings. We have also set up a dedicated control room in Indore for our inter-city operations which:

- provides for the tracking and managing of services for the fleet deployed;
- allows us to co-ordinate responses for break-downs;
- enables the managing of call center operations for customer booking & complaints.

As regards our intra-city operations, we are one of the leading players in the segment and provide passenger mobility solutions to Ahmedabad Janmarg Limited (“AJL”) and to Atal Indore City Transport Services Limited (“AiCTSL”) for their bus rapid transit system (“BRTS”). Additionally, we are also one of the city bus service providers to AiCTSL, as well as the Ahmedabad Municipal Transport Services (“AMTS”) and Surat Municipal Corporation (“SMC”). Our intra-city operations have been ongoing since the Fiscal 2010. In this segment as on August 31, 2018 we had over 550 operational buses including over 205 buses for BRTS operations and over 340 buses for other intra-city operations. For Fiscal 2018, buses operated by us as part of intra-city operations covered over 34 million kilometres.

Additionally, we have recently forayed into a public Smart Bike sharing system. Our Smart Bike sharing operations are currently functional in Bhopal, with a fleet of over 430 Smart Bikes as on August 31, 2018. Our customers can locate our designated bike stations and rent our Smart Bikes from one of 88 docking stations in Bhopal using our mobile application called ‘Chartered Bike’. We are currently also setting up operations in Ranchi under a service contract agreement with the Ranchi Smart City Corporation Limited (“RSCCL”) for supply and management of a fleet of 1,200 Smart Bikes.

In addition to our inter-city and intra-city passenger mobility solutions, we provide student transportation services to schools in Ahmedabad in the form of school buses. Further, we also provide staff bus services which cater to the passenger mobility needs of various corporates. Majority of our school and staff buses are equipped with LCD screens, CCTV cameras, fire extinguishers and GPS tracking systems for ensuring the safety and comfort of passengers. Additionally, we are also involved in the car rental services segment.

We have developed an in-house bus body designing and fabrication facility at Ahmedabad. We also perform periodic preventive and remedial maintenance of our buses at this facility. By virtue of our in-house bus fabrication capabilities, we are also able to provide buses with the bodies customized as per the technical requirements of our customers. We believe that this gives us an edge over our competitors in the passenger mobility industry, who supply standard built buses. In the last three Fiscals, we built a total of 475 buses, of which 276 were for our operations and 199 were for third parties.

Our management team is led by our Promoter and Managing Director, Pankaj Kumar Gandhi who has over twenty three years of experience in the industry. As on August 31, 2018, our Company had 2,562 employees, out of which 1,240 are drivers. We recruit drivers based on our internal selection and screening process wherein we check their driving experience, government documents like driving license, police verification, Aadhar and other personal evaluations, including physical examinations, before recruitment. Our employees are integral to our business, which requires a strong and dedicated workforce spread across a total of 26 cities for consistent smooth operations.

For the Fiscals 2018, 2017, 2016, 2015 and 2014 our consolidated revenue from operations was ₹ 2,562.76 million, ₹ 2,370.01 million, ₹ 2,013.42 million, ₹ 1,515.98 million and ₹ 1,078.86 million respectively. Our revenue from operations has grown at a CAGR of 18.89% during Fiscals 2014 to 2018. In Fiscals 2018, 2017, 2016, 2015 and 2014

we recorded EBITDA of ₹ 499.13 million, ₹ 461.20 million, ₹ 430.16 million, ₹ 279.22 million and ₹ 177.11 million respectively. For Fiscals 2018, 2017, 2016, 2015 and 2014 our net profit was ₹ 124.36 million, ₹ 141.48 million, ₹ 108.18 million, ₹ 68.41 million and ₹ 26.82 million, respectively. Our net profit has grown at a CAGR of 35.91% during Fiscals 2014 to 2018.

## Strengths

We believe that the following are our primary competitive strengths:

### *De-risked business model*

We deliver a diverse offering of passenger mobility solutions to individual and institutional customers across Central and Western India including inter-city bus transportation, intra-city bus transportation, public Smart Bike sharing as well as car rental services. In the inter-city segment, our buses operated across over 190 different schedules while servicing over 2.44 million passengers in Fiscal 2018 alone. Further, our intra-city operations are carried out by a fleet of over 550 buses covering over 34 million kilometres in Fiscal 2018. In addition to our bus transport operations, we are also involved in the car rental services segment and public Smart Bike sharing services segment. Our comprehensive range of services enables us to access additional business opportunities in the passenger mobility industry from our existing customers as well as to address the requirements of a larger base of potential new customers. We believe that our diverse mix of operations reduces reliance and dependence on one particular mode of revenue, thereby reducing the risk of any material adverse effect on our business due to any adverse impact on any of our business verticals.

We also have a number of different contract models with different customers, such as Gross Cost Contract, Net Cost Contract and Ticket Revenue Model. The difference in the models lies in the form in which a contract is awarded, the ownership of the buses and the revenue source. The variety of our models with different customers reduces dependency on any one customer for revenue, besides reducing the impact of macro environmental policies on our Company.

For the Fiscal ended March 31, 2018, our revenue was ₹ 2,562.76 million of which ₹ 904.67 million or 35.30% was attributed to our inter-city passenger mobility operations, ₹ 1,510.87 million or 58.95% was attributed to our intra-city passenger mobility operations, ₹ 28.38 million or 1.11% was attributed to our school bus and staff buses for corporate customers transport operation and ₹ 23.75 million or 0.93% was attributed to rental and self-drive cars for corporates and public Smart Bike sharing.

### *High visibility of revenue*

We provide services to intra-city passenger mobility operations for city buses and bus rapid transit system for state transport undertakings. We are one of the bus service providers to AJL and to AiCTSL for their bus rapid transit system. We are also one of the city bus service providers to the AMTS and SMC. Majority of our contracts with STUs for our intra-city operations are valid for a period of between 5 to 7 years including a possibility of extension. The table below sets out the tenure of a few of the various contracts in intra-city bus operations as on August 31, 2018:

| Sr. No. | Client Name | Contract type              | Date of Agreement* | Average term of contract |
|---------|-------------|----------------------------|--------------------|--------------------------|
| 1.      | AiCTSL      | GCC with owned fleet       | February 28, 2014  | 5 years                  |
|         |             | NCC with owned fleet       | April 27, 2018     | 7 years                  |
| 2.      | AJL         | GCC without ownership      | January 19, 2015   | 8 years                  |
| 3.      | SMC         | GCC with partial ownership | October 25, 2016   | 7 years                  |
| 4.      | AMTS        | GCC with owned fleet       | April 25, 2014     | 6 years                  |

*\*The commencement of the term of most of our contracts is effective from the date of the deployment of the last operational bus under that agreement, and hence, the date of the agreement is only an indication for the date of commencement of the term of the contract.*

The revenue generated from our intra-city operations represented 58.95% of our revenue from operations in Fiscal 2018. With our long term contracts and annual income from operations, we believe we enjoy a high degree of visibility of revenue.

Majority of our contracts with STUs for our intra-city bus operations are valid for a period of between 5 to 8 years with a possibility of extension for another 1 or 2 years at the discretion of the contracting STU. While we are largely dependent on passenger revenues in our inter-city bus operations, we believe our long term contracts provide higher certainty to our revenue projections. Under our Ticket Revenue Model, we have high degree of flexibility to expand which helps us to be responsive to changing market dynamics. In addition to our existing ongoing contracts, we have also recently entered into an agreement with ASTC for operation of buses for inter-city transportation purposes in some cities in the eastern region of India such as Guwahati, Shillong, Itanagar etc. We have also been awarded a letter of intent by the Gujarat State Road Transport Corporation (“**GSRTC**”) for deployment of 50 high end buses, which we have accepted.

We believe that with our existing ongoing contracts having a reasonable residual period from the date of this Draft Red Herring Prospectus, and with new projects and routes being awarded to us, we have a high visibility of future earnings over the next few years.

### ***Large and established size and scale of operations***

We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations. (Source: CRISIL Report) The size, age and composition of our fleet have a significant impact on our financial condition and results of operations. Our results of operations are dependent on the availability of adequate number of quality buses for our customers. As on August 31, 2018, we operated a large fleet of vehicles comprising over 700 buses, over 430 Smart Bikes and over 45 rental and self-drive cars. Out of the buses we operated as on August 31, 2018, over 120 buses are engaged in inter-city operations and over 550 buses are engaged in intra-city operations and over 30 school buses and staff buses. We believe that the our large and diversified fleet, high density of operations in our areas of operations and our brand recall helps us to maintain high standards of customer service.

As we have grown, we have diversified our business geographically, with our operations spanning 4 states as on date of this Draft Red Herring Prospectus. With our diversification and the scaling of our operations, we have become one of the leading players among the fleet operators in India plying buses from one city to another with multiple pick-up points in one city and drop points in the destination city. The number of buses we operate increased at a CAGR of 33% between Fiscal 2014 to Fiscal 2018. Further, we intend to use part of the Issue Proceeds for the expansion of our fleet of passenger mobility vehicles.

We believe that our scale of operations helps us in terms of trade we enjoy from our various suppliers including vehicle OEMs, fuel suppliers and banks amongst others.

### ***Industry Understanding and proven track record in the passenger mobility solutions business***

Our Company has been involved in the passenger mobility solutions industry since Fiscal 2010 when we commenced our operations with a fleet of 15 buses. Over the years we have expanded our passenger mobility operations to over 700 operational buses in Fiscal 2018 which covered over 34 million kilometres in our intra-city operations and serviced over 2.44 million passengers in our inter-city operations.

We believe that our infrastructure and support system has been built upon years of learning and delivering, which gives us the positioning that our Company enjoys in the industry. We believe that our experience enables us to qualify for, analyse and estimate the return on investment for our operations. Additionally, we believe that our long standing relationships with our suppliers and customers, together with our past track record in the public and private transport business substantiate our commitment to quality and our experience in the industry. We believe that we qualify for and meet the most of the requirements for tenders floated by a wide array of STUs, in terms of operational track record, experience and financial capacity, which gives us an edge over our competitors and creates entry barriers for new players in the industry.

We believe that our track record has helped us build a reputable brand for over eight years, owing to our commitment to quality, reliability and timeliness of services offered. Our reputation can also be attributed additionally to our long presence in the passenger transport industry. This is attributable to our consistent liaisons with our customers, and their recognition of our constant efforts to improve the travelling experience for their passengers. We also maintain strong relationships with our suppliers, which enables us to leverage our position to negotiate with the said suppliers in order to secure fuel and other materials required for our business at competitive prices.

### ***Focus on operational cost efficiencies***

One of our primary focuses is on backward integration which reduces our costs and improves the efficiency of our buses. We have an in-house bus body fabrication facility in Ahmedabad which spans 3,379 square metres. Our bus body fabrication facility enables our operations to be backward integrated, which we believe helps us in reducing the cost of our vehicles, increase the life of our vehicles and reduce operational costs. It also allows us to cater to the precise and specific requirements of our customers in a timely fashion in terms of the size, shape and seating capacity of the buses. In order to optimize and control maintenance costs, we have implemented preventive maintenance schedules for each of our vehicles. In addition to our bus body fabrication facility at Ahmedabad, we also undertake servicing and maintenance operations at our facilities in Indore and Surat which reduce the expensive on-road repairs and out-of-route trips and minimize downtime due to breakdown, repairs and resulting service interruptions.

We also place a great deal of importance on cost efficiency, particularly maintenance costs and the fuel efficiency of our fleet. In Fiscal 2014, 2015, 2016, 2017, and 2018, calculated as a percentage of revenue from operations, fuel costs was 46.08%, 45.10%, 38.53%, 41.00%, and 39.78% respectively.

We believe that maintaining a young fleet will lead to better reliability in terms of vehicle performance, lower maintenance costs, improved fuel-efficiency and higher passenger appeal. The wide range of passenger buses in our fleet enables us to better serve the transportation requirements of various customer segments. Fuel costs depend on the fuel consumption and fuel prices. While fluctuations in fuel prices are beyond our control, we actively manage our fuel purchasing network in an effort to maintain adequate fuel supplies and reduce our fuel costs. Further, we try and purchase most of our diesel requirements for our buses at bulk rates directly from the refineries of our suppliers, which is then carried to our buses which are stationed at bus depots in mobile dispensers. This process of purchasing the diesel directly from the refinery under short-term arrangement allows us to maintain high profit margins and ensures that the quality of fuel provided to our buses is not compromised.

Additionally, our technology systems allow us to improve our service quality and consistency and increase operational efficiency. Our buses are equipped with GPS systems, which allow us to track the movement of our buses, helping us maximize utilization and deliver service quality. Passengers can book tickets for seats on our buses through our mobile application 'Chartered Bus', as well as through online travel agents. Further, our public Smart Bike sharing system is fully automated from start to finish. Our focus on the employment of modern technology across our operations helps us reduce operational costs and manpower costs.

### ***Strong track record of robust financial performance***

Our business growth during the last five financial years has contributed significantly to our financial strength.

| <b>Particulars</b>                    | <b>Fiscal 2014</b> | <b>Fiscal 2015</b> | <b>Fiscal 2016</b> | <b>Fiscal 2017</b> | <b>Fiscal 2018</b> | <b>CAGR (from March 31, 2014 to March 31, 2018)</b> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| Revenue from operation (₹ in million) | 1078.86            | 1,515.98           | 2013.42            | 2,370.01           | 2,562.76           | 18.89%  |
| EBIDTA (₹ in million)                 | 177.11             | 279.22             | 430.16             | 461.20             | 499.13             | 23.03%  |
| EBIDTA (%) of Revenue from operations | 16.42              | 18.42              | 21.36              | 19.46              | 19.48              | NA  |

| Particulars  | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | CAGR (from March 31, 2014 to March 31, 2018) |
|--|-------------|-------------|-------------|-------------|-------------|--|
| Restated profit after tax from the period (₹ in million)     | 26.82       | 68.41       | 108.18      | 141.48      | 124.36      | 35.91%                                       |
| Profit for the period (%) of the Revenue from the operations | 2.49        | 4.51        | 5.37        | 5.97        | 4.85        | 14.26%                                       |
| Debt to equity ratio   | 3.15        | 2.74        | 1.87        | 1.43        | 1.00        | NA   |

EBITDA increased at a CAGR of 23.03% from ₹ 177.11 million in Fiscal 2014 to ₹ 499.13 million in Fiscal 2018. Our return on net worth in Fiscal 2014, 2015, 2016, 2017 and 2018 was 28.65%, 42.28%, 36.65%, 32.22% and 21.33% respectively, on a consolidated basis. For further details, please see “*Summary Financial Information*” and “*Management Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 57 and 310 of this Draft Red Herring Prospectus, respectively.

We believe that our strong balance sheet and positive operating cash flows enable us to fund our expansion, pursue opportunities for investments in technology augmentation, and provide us a valuable competitive advantage in terms of access to working capital and credit terms.

#### ***Experienced and dedicated management team and workforce***

Our Company is led by a management team with vast experience in the passenger transport sector, and with an in-depth understanding of the requirements of on-road passenger mobility. We believe that our management’s substantial experience in dealing with every aspect of the business, from negotiations and liaisons with various potential customers including STUs, to designing and upgrading the vehicles to consistently improve performance, helps them manage the business and general administration of our Company on a day-to-day basis. Our management team is led by our Managing Director, Pankaj Kumar Gandhi, who has over twenty three years of industry experience and has been instrumental in expanding our operations and strengthening our positioning in the passenger mobility segment. Additionally, members of our management team possess complementary skills and have sizeable experience and knowledge of the passenger mobility business.

Our bus operations are significantly dependent on our ability to attract, recruit and retain a sufficient number of qualified and experienced drivers. As of August 31, 2018, we had over 2,562 employees including over 1,240 drivers across our various business verticals. We have followed a strategy of recruiting drivers as full time employees with a defined salary structure and incentive schemes. We believe that this has enabled us to develop our brand and address various industry risks over the years.

#### **Strategies**

##### ***Increasing density in our intra-city operations***

India’s population is growing at 0.96% CAGR, whereas cities are growing at much higher rate, e.g., Mumbai (2.15% CAGR), Delhi (2.03% CAGR), Bengaluru (2.15% CAGR), etc. Population of Tier-II and Tier-III cities is growing at a much higher rate, e.g., Pune (10.23% CAGR), Ahmedabad (5.47% CAGR), Indore (4.99% CAGR), etc. The need for public transport is increasing as the urban congestion is rising. As per census 2011, 31% of the population resides in cities which are expected to reach 39% by 2030. (Source: CRISIL Report)

Presently, government-designated BRTSs are operating in around 15 cities across India. BRTSs with segregated lanes are operating in Pune, Ahmedabad, Delhi, Indore, Rajkot, Surat, Bhopal and Jaipur. BRTSs are also operating in Vijayawada, Bhubaneswar, Amritsar, Vishakhapatnam, Jodhpur and Raipur. (Source: CRISIL Report)

In May 2015, the government approved the replacement of the Jawaharlal Nehru National Urban Renewal Mission with AMRUT, to focus on basic infrastructure services such as water supply, sewerage, storm water drains, transport, and development of green spaces and parks. Once the reforms envisaged in AMRUT are implemented, it is expected to bring in improvements in service delivery, provide efficient urban mobility and public transportation, robust IT connectivity, safety and security of citizens and sustainable urban environment. The Mission also includes Fund allocation towards Bus rapid transit (BRTS) public transportation system which includes roadways that are dedicated to buses, and gives priority to buses at intersections can encourage people to travel through this public transportation because of the increase in reduction of travel time. (Source: CRISIL Report) In light of the foregoing, we believe that we are in an advantageous position to augment our intra-city passenger mobility market share in the cities we presently operate in, as well as by penetrating tier-I and tier-II cities which will benefit from such fund allocation.

We intend to remain focused on intra-city operations on geographies where we operate. We already have a considerable presence in the intra-city public mobility operations in Ahmedabad, Surat and Indore. Our buses engaged in intra-city operations covered over 34 million kilometres in Fiscal 2018. We intend to continue to strengthen the density of our network by adding more buses in our existing key markets and selectively obtaining more contracts, to enhance the breadth of our service in a sustainable and profitable manner.

#### ***Increasing our network of inter-city operations***

In the inter-city segment, as on August 31, 2018, we operated across a total of 26 cities across Gujarat, Madhya Pradesh, Rajasthan and Maharashtra through over 200 schedules. We intend to prioritise our growth in high density metropolitan and tier-II cities in growing commuter regions of India by providing quality passenger mobility solutions and operating our buses in a safe and responsible manner. We intend to further penetrate the key routes in India by increasing the number of services per day and commencing services to new destinations in India where we anticipate adequate demand.

We intend on continuing to increase the size of our passenger mobility fleet in the coming years. To achieve these goals, we will increase our fleet size with new and technologically advanced buses. The net proceeds of this Offer will be partly utilized towards increasing our fleet of passenger buses. For further details, see the section “*Objects of the Offer*” on page 93 this Draft Red Herring Prospectus.

We intend to successfully complete the deployment of fleet under our contract with ASTC and become a partner of choice in Northeastern India, in addition to our already strong position in Central and Western India. Further, we also intend to expand our operations internationally to nations such as Bhutan and Bangladesh.

#### ***Focus on the attractive market of Public Smart Bike sharing***

Smart Bike sharing is popular in many countries such as USA, China, Italy, Germany, etc. Many bike share systems allow people to borrow a bike from a "dock" and return it at another dock belonging to the same system. Docks are special bike racks that lock the bike, and only release it by computer control. The cost of ownership is very low for modes of transport in non-motorised segment; there is no fuel cost, no insurance cost, and very low investment and maintenance cost. It is the cheapest mode of transport in the world and is preferable for short distances which would help reduce the traffic congestion in cities. In India, the trend of using Smart Bikes as a recreational vehicle is on the rise. Further, certain initiatives by various state Governments in India have helped develop bike and jogging tracks in some cities, including Bhopal, to ease the congestion in the cities. (Source: CRISIL Report)

We have forayed into the public Smart Bike sharing transportation system and our Smart Bike sharing operations are currently functional in Bhopal. We have entered into an agreement with the Bhopal Smart City Development Corporation Limited (“**BSCDCL**”) for installation and operation of public Smart Bike sharing systems in Bhopal. As on August 31, 2018, we had deployed over 430 Smart Bikes in 88 designated stations across Bhopal. In January 2018 we have also entered into an agreement with the RSCCL upon being selected as the preferred agency for installation and operation of Public Smart Bike Sharing System in Ranchi City. The term is for 6 years and the project is for

operation of 1,200 smart bikes. In September 2018, we have also received a Letter of Acceptance from the Surat Municipal Corporation upon being selected as the preferred agency for installation and operation of Public Smart Bike Sharing System in Surat City for operation of 1,160 Smart Bikes.

With heightened commuter sentiment and focus of the government towards clean and pollution free transportation, we aim to increase our fleet of smart bikes by introducing Smart Bikes sharing systems across additional cities as an alternate mode of clean and pollution free transportation.

### ***Improving operating efficiencies and customer service through technology enhancements***

We continue to develop our technology systems to increase asset productivity, operational efficiencies and strengthening our competitive position. Our reliance on technology plays an integral role in the effective management of our large scale of operations and in the maintenance of strict operational and fiscal controls, enabling us to enhance customer service levels.

We are focused on ensuring that our inter-city bus operations are punctual and reliable. We are also committed to making sure that the journeys covered by our buses across cities such as Ahmedabad, Indore, Mumbai, Pune and Jaipur, are time-bound and do not result in unnecessarily delays. This can be attributed to, *inter alia*, our dedicated workforce and our focus on the quality of our vehicles and technology systems. Additionally, we are focused on ensuring quality training for our drivers and providing them with incentives which we believe results in enhanced performance.

We have, in the past, invested in the augmentation of the technological capabilities of our fleet, by equipping our buses with advanced features such as GPS systems, and by enabling the usage of mobile applications to access our passenger mobility solutions.

We intend to continue to invest in technological solutions to further enhance customer service, optimize operational costs and improve asset utilization. For more information, see “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

### ***Maintaining a strong financial position***

We intend to focus on increased margins through maximizing occupancy levels and optimizing our operations in terms of kilometres travelled. The strength of our balance sheet in terms of liquidity and indebtedness provides us with a number of competitive advantages, such as lower finance costs, better financial terms from our lenders and the flexibility to fund future growth. As of August 31, 2018, we have total indebtedness of ₹ 1,157.42 million and we intend to use a part of the ‘Objects of the Issue’ towards the repayment and/ or prepayment of our indebtedness, please refer to the chapter titled “*Objects of the Issue*” and “*Financial Indebtedness*” on pages 93 and 203, respectively of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 203 and 310, respectively of this Draft Red Herring Prospectus.

### RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

|   | (In ₹ million)  |                 |                              |
|---|-----------------|-----------------|------------------------------|
| Particulars   | March 31, 2018  | March 31, 2017  | March 31, 2016<br>(Proforma) |
| <b>ASSETS:</b>  |                 |                 |                              |
| <b>Non-Current Assets:</b>                              |                 |                 |                              |
| Property, Plant and Equipment                           | 474.23          | 611.37          | 455.33                       |
| Capital work-in-progress                                | 70.22           | 1.25            | 9.57                         |
| Goodwill  | 8.77            | 8.72            | 9.41                         |
| Other Intangible Assets                                 | 8.17            | -               | -                            |
| Intangible Assets under Development                     | -               | 14.90           | -                            |
| Financial Assets:                                       |                 |                 |                              |
| Other Financial Assets                                  | 5.56            | 15.89           | 13.19                        |
| Other Non-Current Assets                                | 47.57           | 54.68           | 60.38                        |
| Assets for Current tax (Net)                            | 4.37            | 4.39            | 0.08                         |
| Deferred Tax Assets (Net)                               | 29.42           | 9.20            | 18.56                        |
| <b>Total (A)</b>  | <b>648.31</b>   | <b>720.40</b>   | <b>566.52</b>                |
| <b>Current Assets:</b>                                  |                 |                 |                              |
| Inventories   | 43.52           | 5.25            | 21.47                        |
| Financial Assets:                                       |                 |                 |                              |
| Investments   | 148.16          | 146.06          | 99.38                        |
| Trade Receivables                                       | 233.87          | 197.63          | 152.91                       |
| Cash and Cash Equivalents                               | 46.65           | 91.14           | 72.26                        |
| Loans   | 0.41            | -               | 0.28                         |
| Other Current Financial Assets                          | 188.18          | 9.47            | 3.22                         |
| Other Current Assets                                    | 54.89           | 43.46           | 30.93                        |
| <b>Total (B)</b>  | <b>715.68</b>   | <b>493.01</b>   | <b>380.45</b>                |
| <b>Total (A+B)</b>                                      | <b>1,363.99</b> | <b>1,213.41</b> | <b>946.97</b>                |
| <b>EQUITY AND LIABILITIES:</b>                          |                 |                 |                              |
| <b>Equity:</b>  |                 |                 |                              |
| Equity Share Capital                                    | 70.12           | 69.90           | 69.90                        |
| Other Equity  | 521.33          | 370.39          | 228.51                       |
| Equity attributable to the equity holders of the Parent | 591.45          | 440.29          | 298.41                       |
| Non-controlling Interest                                | (0.96)          | 1.06            | (0.98)                       |
| <b>Total (C)</b>  | <b>590.49</b>   | <b>441.35</b>   | <b>297.43</b>                |
| <b>Non-Current Liabilities:</b>                         |                 |                 |                              |
| Financial Liabilities:                                  |                 |                 |                              |
| Borrowings  | 276.08          | 343.44          | 364.61                       |
| Other Financial Liabilities                             | 9.91            | 5.00            | -                            |
| Provisions  | 12.56           | 9.25            | 2.66                         |
| <b>Total (D)</b>  | <b>298.55</b>   | <b>357.69</b>   | <b>367.27</b>                |
| <b>Current Liabilities:</b>                             |                 |                 |                              |
| Financial Liabilities:                                  |                 |                 |                              |
| Borrowings  | 122.62          | 118.82          | 40.64                        |
| Trade Payables  | 13.02           | 10.51           | 19.30                        |
| Other Financial Liabilities                             | 299.27          | 258.31          | 206.43                       |
| Other Current Liabilities                               | 4.48            | 2.86            | 2.74                         |
| Provisions  | 16.47           | 23.87           | 0.30                         |
| Current Tax Liabilities (Net)                           | 19.09           | -               | 12.86                        |
| <b>Total (E)</b>  | <b>474.95</b>   | <b>414.37</b>   | <b>282.27</b>                |
| <b>Total (C+D+E)</b>                                    | <b>1,363.99</b> | <b>1,213.41</b> | <b>946.97</b>                |

**RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS**
*(In ₹ million)*

| Particulars   | March 31,<br>2018 | March 31,<br>2017 | March 31,<br>2016<br>(Proforma) |
|---|-------------------|-------------------|---------------------------------|
| Revenue from Operations   | 2,562.76          | 2,370.02          | 2,013.41                        |
| Other Income  | 23.27             | 59.35             | 5.51                            |
| <b>Total Income</b>   | <b>2,586.03</b>   | <b>2,429.37</b>   | <b>2,018.92</b>                 |
| <b>Expenses:</b>  |                   |                   |                                 |
| Cost of Materials Consumed  | -                 | 96.78             | 0.33                            |
| Purchases of Stock-in-Trade   | 14.28             | 104.51            | 190.81                          |
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade | 0.60              | 10.11             | (4.32)                          |
| Operating expenses  | 1,520.01          | 1,281.53          | 1,052.29                        |
| Employee Benefits Expense   | 436.52            | 369.45            | 260.26                          |
| Finance Costs   | 56.91             | 54.61             | 62.53                           |
| Depreciation, Amortisation and Impairment expense                             | 246.23            | 196.45            | 202.90                          |
| Other Expenses  | 115.49            | 105.79            | 89.39                           |
| <b>Total Expenses</b>   | <b>2,390.04</b>   | <b>2,219.24</b>   | <b>1,854.19</b>                 |
| <b>Profit before Tax</b>  | <b>195.99</b>     | <b>210.14</b>     | <b>164.73</b>                   |
| Less: Tax Expense:  |                   |                   |                                 |
| Current Tax   | 91.71             | 58.87             | 67.05                           |
| Deferred Tax  | (17.26)           | 6.07              | (5.45)                          |
| MAT   | (2.82)            | 3.72              | (1.93)                          |
| Prior year tax adjustment   | -                 | -                 | (3.12)                          |
|   | <b>71.63</b>      | <b>68.66</b>      | <b>56.55</b>                    |
| <b>Profit for the year before Profit / (Loss) of Associate:</b>               | <b>124.36</b>     | <b>141.48</b>     | <b>108.18</b>                   |
| Add/ (Less) : Share of Profit / (Loss) of Associate (Net of tax)              | -                 | -                 |                                 |
| <b>Profit for the year</b>  | <b>124.36</b>     | <b>141.48</b>     | <b>108.18</b>                   |
| Items that will not be reclassified to profit or loss:                        |                   |                   |                                 |
| Re-measurement (losses)/ gains on post employment defined benefit plans       | (0.41)            | (1.19)            | 1.70                            |
| Income tax effect   | 0.14              | 0.41              | (0.59)                          |
| <b>Other Comprehensive Income for the year (Net of tax)</b>                   | <b>(0.27)</b>     | <b>(0.78)</b>     | <b>1.11</b>                     |
| <b>Total Comprehensive Income for the year (Net of Tax)</b>                   | <b>124.09</b>     | <b>140.70</b>     | <b>109.29</b>                   |
| <b>Profit for the year</b>  |                   |                   |                                 |
| Attributable to :   |                   |                   |                                 |
| Owners of the Parent  | 126.40            | 142.66            | 108.27                          |
| Non-Controlling Interest  | (2.03)            | (1.18)            | (0.09)                          |
| <b>OCI for the year</b>   |                   |                   |                                 |
| Attributable to :   |                   |                   |                                 |
| Owners of the Parent  | (0.27)            | (0.78)            | 1.11                            |
| Non-Controlling Interest  | -                 | -                 | -                               |
| <b>Total Comprehensive Income</b>   |                   |                   |                                 |
| Attributable to :   |                   |                   |                                 |
| Owners of the Parent  | 126.13            | 141.88            | 109.38                          |
| Non-Controlling Interest  | (2.03)            | (1.18)            | (0.09)                          |
| <b>Basic &amp; Diluted Earning per Equity Share (EPS) (in Rupees)*</b>        | <b>4.51</b>       | <b>5.09</b>       | <b>3.86</b>                     |

\* After adjusting for the bonus issue in Fiscal 2019

RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

| Particulars   | <i>(in ₹ million)</i> |                   |                                 |
|---|-----------------------|-------------------|---------------------------------|
|   | March 31,<br>2018     | March 31,<br>2017 | March 31,<br>2016<br>(Proforma) |
| <b>(A) Cash flows from operating activities:</b>              |                       |                   |                                 |
| Profit before tax   | 195.99                | 210.14            | 164.73                          |
| Adjustments for:  |                       |                   |                                 |
| Depreciation, Impairment and Amortisation expenses            | 246.23                | 196.45            | 202.90                          |
| Profit on sale of property, plant and equipment (Net)         | (16.34)               | (6.47)            | (0.27)                          |
| Loss /(Profit) on sale of investments measured at FVTPL(Net)  | 3.08                  | (41.80)           | 6.64                            |
| Loss/ (Profit) on Sale of Investment (Net )                   | -                     | (2.58)            | -                               |
| Interest income   | (2.13)                | (5.80)            | (3.87)                          |
| Interest expenses   | 56.92                 | 54.61             | 60.40                           |
| Bad debts written off   | 0.78                  | 0.75              | 0.36                            |
| Provision for doubtful debts (net of written back)            | -                     | 1.54              | -                               |
| Provisions for employee benefits                              | (3.14)                | 26.08             | 1.52                            |
| Provision for Warranty  | (0.03)                | 0.75              | -                               |
| Total   | 285.37                | 223.53            | 267.68                          |
| <b>Operating profit before working capital changes</b>        | <b>481.36</b>         | <b>433.67</b>     | <b>432.41</b>                   |
| Adjustments for:  |                       |                   |                                 |
| (Increase)/Decrease in trade receivables                      | (37.01)               | (47.01)           | (84.45)                         |
| (Increase)/ Decrease in inventories                           | (38.27)               | 16.22             | (4.33)                          |
| (Increase)/Decrease in other assets                           | (173.58)              | (14.80)           | (18.90)                         |
| (Decrease)Increase in trade payables                          | 2.51                  | (8.79)            | 4.59                            |
| (Decrease)/ Increase in other liabilities                     | 26.74                 | 36.97             | (0.12)                          |
| Change in Non-controlling Interest                            | 0.01                  | 1.69              | 0.18                            |
| Total   | (219.60)              | (15.72)           | (103.03)                        |
| <b>Cash generated from operations</b>                         | <b>261.76</b>         | <b>417.95</b>     | <b>329.38</b>                   |
| Direct taxes paid (Net of refunds)                            | (72.60)               | (76.04)           | (52.10)                         |
| <b>Net cash from operating activities</b>                     | <b>189.16</b>         | <b>341.91</b>     | <b>277.28</b>                   |
| <b>(B) Cash flows from investing activities:</b>              |                       |                   |                                 |
| Purchase of property, plant and equipment                     | (182.22)              | (365.49)          | (276.59)                        |
| Proceeds from sale of property, plant and equipment           | 27.18                 | 14.17             | 4.19                            |
| Purchase of non current investments                           | (70.84)               | (136.14)          | (8.07)                          |
| Proceeds from sale of investments                             | 65.66                 | 134.78            | -                               |
| Investment in Fixed Deposit with Bank                         | 10.74                 | (13.28)           | (21.90)                         |
| Interest received   | 2.60                  | 5.07              | 3.64                            |
| <b>Net cash from investing activities</b>                     | <b>(146.88)</b>       | <b>(360.89)</b>   | <b>(298.73)</b>                 |
| <b>(C) Cash flows from financing activities:</b>              |                       |                   |                                 |
| Proceeds from non current borrowings                          | 133.65                | 560.62            | 590.53                          |
| Repayment of non current borrowings                           | (180.96)              | (562.84)          | (510.86)                        |
| Proceeds from fresh share issue                               | 25.05                 | -                 | -                               |
| Current Borrowings (Net)                                      | 3.79                  | 78.18             | 32.65                           |
| Interest paid   | (57.55)               | (51.38)           | (60.40)                         |
| <b>Net cash from financing activities</b>                     | <b>(76.02)</b>        | <b>24.58</b>      | <b>51.92</b>                    |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>      | <b>(33.74)</b>        | <b>5.60</b>       | <b>30.47</b>                    |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>51.19</b>          | <b>45.59</b>      | <b>15.12</b>                    |

| <b>Particulars</b>                                      | <b>March 31,<br/>2018</b> | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016<br/>(Proforma)</b> |
|---|---------------------------|---------------------------|--|
| <b>Cash and cash equivalents at the end of the year</b> | <b>17.45</b>              | <b>51.19</b>              | <b>45.59</b>                             |

**RESTATED IND GAAP CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

*(in ₹ million)*

| <b>Particulars</b>   | <b>31 March 2015</b> | <b>31 March 2014</b> |
|--|----------------------|----------------------|
| <b>Equity and liabilities</b>  |                      |                      |
| <b>Shareholders' funds</b>   |                      |                      |
| Share capital  | 69.90                | 69.90                |
| Reserves and surplus   | 91.92                | 23.71                |
| Minority Interest  | 0.13                 | 0.10                 |
| <b>Total (A)</b>   | <b>161.95</b>        | <b>93.71</b>         |
| <b>Non-current liabilities</b>   |                      |                      |
| Long-term borrowings   | 308.90               | 197.08               |
| Long-term provisions   | 2.91                 | 0.90                 |
| <b>Total (B)</b>   | <b>311.81</b>        | <b>197.98</b>        |
| <b>Current liabilities</b>   |                      |                      |
| Short-term borrowings  | 7.99                 | 6.05                 |
| Trade payables   |                      |                      |
| total outstanding dues to micro and small enterprises                      | -                    | -                    |
| total outstanding dues to creditors other than micro and small enterprises | 14.71                | 22.73                |
| Other current liabilities  | 185.22               | 142.53               |
| Short-term provisions  | 4.34                 | 1.88                 |
| <b>Total (C)</b>   | <b>212.26</b>        | <b>173.19</b>        |
| <b>Total (A+B+C)</b>   | <b>686.02</b>        | <b>464.88</b>        |
| <b>Assets</b>  |                      |                      |
| <b>Non-current assets</b>  |                      |                      |
| Property, plant and equipment  | 378.17               | 248.86               |
| Capital work-in-progress   | 16.95                | 4.06                 |
| Goodwill   | 9.41                 | 9.59                 |
| Non-current investments  | 72.39                | 14.12                |
| Deferred tax assets  | 11.84                | 10.05                |
| Long-term loans and advances   | 47.42                | 9.24                 |
| <b>Total (D)</b>   | <b>536.18</b>        | <b>295.92</b>        |
| <b>Current assets</b>  |                      |                      |
| Inventories  | 17.15                | 19.52                |
| Trade receivables  | 68.83                | 74.55                |
| Cash and bank balances   | 19.90                | 42.03                |
| Short-term loans and advances  | 29.04                | 22.08                |
| Other current assets   | 14.92                | 10.78                |
| <b>Total (E)</b>   | <b>149.84</b>        | <b>168.96</b>        |
| <b>Total (D+E)</b>   | <b>686.02</b>        | <b>464.88</b>        |

**RESTATED IND GAAP CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS**
*(in ₹ million)*

| <b>Particulars</b>   | <b>31 March 2015</b> | <b>31 March 2014</b> |
|--|----------------------|----------------------|
| <b>Revenue</b>   |                      |                      |
| Revenue from operations  | 1,515.97             | 1,078.86             |
| Other income   | 10.68                | 9.30                 |
| <b>Total revenue</b>   | <b>1,526.65</b>      | <b>1,088.16</b>      |
| <b>Expenses</b>  |                      |                      |
| Purchases of traded goods  | 167.82               | 177.27               |
| Changes in inventories of traded goods   | 2.37                 | (6.19)               |
| Operating expenses   | 827.53               | 560.55               |
| Employee benefit expenses  | 181.98               | 122.35               |
| Finance costs  | 43.47                | 31.08                |
| Depreciation, Impairment and amortisation  | 138.33               | 102.73               |
| Other expenses   | 67.73                | 57.07                |
| <b>Total expenses</b>  | <b>1,429.23</b>      | <b>1,044.86</b>      |
| <b>Profit before tax</b>   | <b>97.42</b>         | <b>43.30</b>         |
| <b>Tax expense</b>   |                      |                      |
| Current tax  | 32.57                | 19.07                |
| Deferred tax   | (1.79)               | (2.59)               |
| (Excess)/short provision relating to earlier years                               | 0.02                 | -                    |
| MAT Credit   | (1.79)               | -                    |
| <b>Net profit</b>  | <b>68.41</b>         | <b>26.82</b>         |
| Share Minority Interest  | (0.03)               | (0.01)               |
| <b>Net profit</b>  | <b>68.38</b>         | <b>26.81</b>         |
| <b>Earning per equity share (face value of INR 10 each) (Basic and Diluted)*</b> | <b>2.44</b>          | <b>0.96</b>          |

\* After adjusting for the bonus issue in Fiscal 2019

**RESTATED IND GAAP CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS**
*(in ₹ million)*

| <b>Particulars</b>  | <b>31 March 2015</b> | <b>31 March 2014</b> |
|---|----------------------|----------------------|
| <b>(A) Cash flows from operating activities</b>               |                      |                      |
| <b>Profit before tax</b>                                      | 97.42                | 43.30                |
| <b>Adjustments for :</b>                                      |                      |                      |
| Depreciation expense  | 138.33               | 102.73               |
| Finance cost  | 43.47                | 31.08                |
| Profit on sale of current investments                         | (4.50)               | (0.05)               |
| Profit on sale of property, plant and equipment (net)         | (1.43)               | 0.06                 |
| Interest  | (1.24)               | (1.35)               |
| Provision for Employee benefit                                | 2.10                 | 1.04                 |
| Other   | -                    | (0.01)               |
| <b>Operating profit before working capital changes</b>        | <b>274.15</b>        | <b>176.80</b>        |
| <b>Adjustments for :</b>                                      |                      |                      |
| Increase/ (decrease) in trade payables                        | (8.02)               | 9.23                 |
| Increase in other liabilities and provisions                  | 8.38                 | 2.52                 |
| Increase /(Decrease) in Short term Borrowings                 | 1.94                 | 0.98                 |
| (Increase) / decrease in loans and advances                   | (45.14)              | (6.04)               |
| (Increase) / decrease in inventories                          | 2.37                 | (6.19)               |
| (Increase) in trade receivables                               | 5.72                 | 9.86                 |
| (Increase) / decrease in other current and non current assets | (2.35)               | (10.63)              |
| <b>Cash generated from operating activities</b>               | <b>(37.10)</b>       | <b>(0.27)</b>        |
| Income taxes paid (net)                                       | 30.23                | 17.71                |
| <b>Net cash generated from operating activities</b>           | <b>206.82</b>        | <b>158.82</b>        |
| <b>(B) Cash flows from investing activities</b>               |                      |                      |
| Purchase of property, plant and equipment                     | (287.68)             | (151.24)             |
| Proceeds from sale of property, plant and equipment           | 8.58                 | 5.43                 |
| Purchase of Non-current investments                           | (70.91)              | (13.13)              |
| Proceeds from sale of non-current investments                 | 17.15                | 0.63                 |
| Interest received   | 1.24                 | 1.35                 |
| Investment/(Maturity) in Fixed Deposit                        | (1.01)               | (1.65)               |
| <b>Net cash used in investing activities</b>                  | <b>(332.63)</b>      | <b>(158.61)</b>      |
| <b>(C) Cash flows from financing activities</b>               |                      |                      |
| Finance Cost  | (43.47)              | (31.08)              |
| Proceeds from Long Term Borrowings                            | 436.40               | 278.70               |
| Repayment of Long Term Borrowings                             | (290.26)             | (212.28)             |
| Others  | -                    | 0.10                 |
| <b>Net cash generated from financing activities</b>           | <b>102.67</b>        | <b>35.44</b>         |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>      | <b>(23.14)</b>       | <b>35.65</b>         |
| Cash and cash equivalents as at the beginning of the period   | 38.26                | 2.61                 |
| <b>Cash and cash equivalents as at the end of the period</b>  | <b>15.12</b>         | <b>38.26</b>         |

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

| Particulars                     | March 31, 2018  | March 31, 2017  | (in ₹ million)               |
|---------------------------------|-----------------|-----------------|------------------------------|
|                                 |                 |                 | March 31, 2016<br>(Proforma) |
| <b>ASSETS:</b>                  |                 |                 |                              |
| <b>Non-Current Assets:</b>      |                 |                 |                              |
| Property, Plant and Equipment   | 472.50          | 609.08          | 447.10                       |
| Capital work-in-progress        | 58.58           | 1.25            | 8.07                         |
| Other Intangible Assets         | 0.93            | -               | -                            |
| Financial Assets:               |                 |                 |                              |
| Investments                     | 7.66            | 7.59            | 0.27                         |
| Other Financial Assets          | 5.49            | 15.85           | 12.56                        |
| Other Non-Current Assets        | 47.58           | 54.68           | 60.38                        |
| Assets for Current tax (Net)    | 3.93            | 3.90            | -                            |
| Deferred Tax Assets (Net)       | 24.38           | 8.51            | 10.42                        |
| <b>Total (A)</b>                | <b>621.05</b>   | <b>700.86</b>   | <b>538.80</b>                |
| <b>Current Assets:</b>          |                 |                 |                              |
| Inventories                     | 50.36           | 2.93            | 15.33                        |
| Financial Assets:               |                 |                 |                              |
| Investments                     | 148.17          | 146.07          | 99.33                        |
| Trade Receivables               | 233.09          | 197.45          | 145.30                       |
| Cash and Cash Equivalents       | 44.01           | 74.63           | 61.37                        |
| Loans                           | 38.43           | -               | 1.15                         |
| Other Current Financial Assets  | 174.82          | 4.18            | 3.02                         |
| Other Current Assets            | 49.18           | 43.40           | 30.80                        |
| <b>Total (B)</b>                | <b>738.06</b>   | <b>468.66</b>   | <b>356.30</b>                |
| <b>Total (A+B)</b>              | <b>1,359.12</b> | <b>1,169.52</b> | <b>895.10</b>                |
| <b>EQUITY AND LIABILITIES:</b>  |                 |                 |                              |
| <b>Equity:</b>                  |                 |                 |                              |
| Equity Share Capital            | 70.12           | 69.90           | 69.90                        |
| Other Equity                    | 521.73          | 373.07          | 223.96                       |
| <b>Total (C)</b>                | <b>591.85</b>   | <b>442.97</b>   | <b>293.85</b>                |
| <b>Non-Current Liabilities:</b> |                 |                 |                              |
| Financial Liabilities:          |                 |                 |                              |
| Borrowings                      | 276.08          | 343.44          | 359.04                       |
| Other Financial Liabilities     | 9.91            | 5.00            | -                            |
| Provisions                      | 11.89           | 7.26            | 2.66                         |
| <b>Total (D)</b>                | <b>297.88</b>   | <b>355.70</b>   | <b>361.70</b>                |
| <b>Current Liabilities:</b>     |                 |                 |                              |
| Financial Liabilities:          |                 |                 |                              |
| Borrowings                      | 122.30          | 102.08          | 40.61                        |
| Trade Payables                  | 11.23           | 9.21            | 6.80                         |
| Other Financial Liabilities     | 297.53          | 234.49          | 179.80                       |
| Other Current Liabilities       | 3.20            | 1.21            | 0.57                         |
| Provisions                      | 16.47           | 23.87           | 0.30                         |
| Current Tax Liabilities (Net)   | 18.67           | -               | 11.47                        |
| <b>Total (E)</b>                | <b>469.40</b>   | <b>370.86</b>   | <b>239.55</b>                |
| <b>Total (C+D+E)</b>            | <b>1,359.12</b> | <b>1,169.52</b> | <b>895.10</b>                |

**RESTATED IND AS STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS**
*(in ₹ million)*

| <b>Particulars</b>   | <b>March 31,<br/>2018</b> | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016<br/>(Proforma)</b> |
|--|---------------------------|---------------------------|--|
| Revenue from Operations  | 2,556.50                  | 2,368.30                  | 1,971.58                                 |
| Other Income   | 22.18                     | 55.75                     | 4.56                                     |
| <b>Total Income</b>  | <b>2,578.68</b>           | <b>2,424.05</b>           | <b>1,976.14</b>                          |
| <b>EXPENSES:</b>   |                           |                           |  |
| Cost of Materials Consumed   | -                         | 96.78                     | 0.33                                     |
| Purchases of Stock-in-Trade  | 9.95                      | 102.18                    | 166.87                                   |
| Changes in Inventories of Traded goods                                 | 2.93                      | 12.40                     | (2.63)                                   |
| Operating expenses   | 1,520.00                  | 1,281.53                  | 1,065.42                                 |
| Employee Benefits Expense  | 432.52                    | 368.27                    | 250.36                                   |
| Finance Costs  | 57.02                     | 54.05                     | 61.41                                    |
| Depreciation, Amortisation and Impairment expense                      | 246.67                    | 198.10                    | 197.59                                   |
| Other Expenses   | 110.01                    | 99.66                     | 76.97                                    |
| <b>Total Expenses</b>  | <b>2,379.10</b>           | <b>2,212.97</b>           | <b>1,816.32</b>                          |
| <b>Profit before Tax</b>   | <b>199.58</b>             | <b>211.08</b>             | <b>159.82</b>                            |
| Less: Tax Expense:   |                           |                           |  |
| Current Tax  | 91.20                     | 58.87                     | 64.97                                    |
| Deferred Tax   | (15.73)                   | 2.32                      | (5.81)                                   |
| Prior year tax adjustment  | -                         | -                         | (3.12)                                   |
|  | <b>75.47</b>              | <b>61.19</b>              | <b>56.04</b>                             |
| <b>Profit for the year</b>   | <b>124.11</b>             | <b>149.89</b>             | <b>103.78</b>                            |
| <b>OTHER COMPREHENSIVE INCOME (OCI):</b>                               |                           |                           |  |
| Items that will not be reclassified to profit or loss:                 |                           |                           |  |
| Re-measurement gain/(losses) on post employment defined benefit plans  | (0.41)                    | (1.19)                    | 1.70                                     |
| Income tax effect  | 0.14                      | 0.41                      | (0.59)                                   |
| <b>Other Comprehensive Income for the year (Net of tax)</b>            | <b>(0.27)</b>             | <b>(0.78)</b>             | <b>1.11</b>                              |
| <b>Total Comprehensive Income for the year (Net of Tax)</b>            | <b>123.84</b>             | <b>149.11</b>             | <b>104.89</b>                            |
| <b>Basic &amp; Diluted Earning per Equity Share (EPS) (in Rupees)*</b> | <b>4.43</b>               | <b>5.35</b>               | <b>3.70</b>                              |

\* After adjusting for the bonus issue in Fiscal 2019

**RESTATED IND AS STANDALONE SUMMARY STATEMENT OF CASH FLOWS**

| Particulars  | <i>(in ₹ million)</i> |                   |                                 |
|--|-----------------------|-------------------|---------------------------------|
|  | March 31,<br>2018     | March 31,<br>2017 | March 31,<br>2016<br>(Proforma) |
| <b>(A) Cash flows from operating activities:</b>                             |                       |                   |                                 |
| Profit before tax  | 199.58                | 211.08            | 159.82                          |
| Adjustments for:   |                       |                   |                                 |
| Depreciation, Impairment and Amortisation expenses                           | 246.67                | 198.10            | 197.59                          |
| Profit on sale of property, plant and equipment (Net)                        | (16.52)               | (6.46)            | (0.27)                          |
| (Profit)/Loss on sale of investments (Net)                                   | 3.08                  | (41.92)           | (4.01)                          |
| Interest income  | (3.09)                | (5.10)            | (2.68)                          |
| Dividend income  | (0.00)                | (0.00)            | 0.00                            |
| Interest expenses  | 57.02                 | 56.30             | 59.35                           |
| Bad debts written off  | 0.46                  | 0.75              | 0.36                            |
| Provision for doubtful debts (net of written back)                           | -                     | 1.54              | -                               |
| Provisions for employee benefits   | (3.14)                | 26.08             | 1.52                            |
| Provisions for probable warranty claim on buses supply (net of written back) | (0.03)                | 0.75              | -                               |
| Total  | 284.45                | 230.03            | 251.87                          |
| <b>Operating profit before working capital changes</b>                       | <b>484.03</b>         | <b>441.11</b>     | <b>411.69</b>                   |
| Adjustments for:   |                       |                   |                                 |
| (Increase)/Decrease in trade receivables                                     | (36.10)               | (54.44)           | (84.21)                         |
| (Increase)/ Decrease in inventories  | (47.43)               | 12.40             | (2.63)                          |
| (Increase)/ Decrease in other assets   | (159.48)              | (16.59)           | 35.91                           |
| (Decrease)/Increase in trade payables  | 2.03                  | 2.41              | (0.26)                          |
| (Decrease)/ Increase in other liabilities                                    | 29.34                 | 33.96             | 7.69                            |
| Total  | (211.64)              | (22.26)           | (43.50)                         |
| Cash generated from operations   | 272.37                | 418.83            | 368.19                          |
| Direct taxes paid (Net of refunds)   | (72.55)               | (74.24)           | (50.37)                         |
| <b>Net cash from operating activities</b>                                    | <b>199.84</b>         | <b>344.61</b>     | <b>317.82</b>                   |
| <b>(B) Cash flows from investing activities:</b>                             |                       |                   |                                 |
| Purchase of property, plant and equipment                                    | (155.59)              | (347.79)          | (340.12)                        |
| Proceeds from sale of property, plant and equipment                          | 25.59                 | 9.53              | 1.75                            |
| Purchase of non current investments  | (0.08)                | (7.40)            | -                               |
| Proceeds from sale of non current investments                                | -                     | 0.25              | 11.05                           |
| Purchase of Current Investment   | (104.79)              | (145.04)          | (228.41)                        |
| Proceeds from sale of current investments                                    | 99.61                 | 140.04            | 221.79                          |
| Advances to subsidiary/associate companies                                   | (105.13)              | (157.55)          | (115.32)                        |
| Repayment of advances by subsidiary/associate companies                      | 66.70                 | 158.70            | 114.17                          |
| Investment in Fixed deposits with banks                                      | 1.01                  | (5.20)            | (20.59)                         |
| Interest received  | 2.56                  | 3.79              | 2.52                            |
| Dividend received  | 0.00                  | 0.00              | 0.00                            |
| <b>Net cash from investing activities</b>                                    | <b>(170.12)</b>       | <b>(350.68)</b>   | <b>(353.16)</b>                 |
| <b>(C) Cash flows from financing activities:</b>                             |                       |                   |                                 |
| Proceeds from non current borrowings   | 133.65                | 204.91            | 506.59                          |
| Repayment of non current borrowings  | (180.96)              | (164.82)          | (389.12)                        |
| Increase in Share Capital inclusive of security premium                      | 25.05                 | -                 | -                               |
| Current Borrowings (Net)   | 20.21                 | 29.09             | -                               |
| Interest paid  | (57.25)               | (53.05)           | (59.35)                         |

| <b>Particulars</b>  | <b>March 31,<br/>2018</b> | <b>March 31,<br/>2017</b> | <b>March 31,<br/>2016<br/>(Proforma)</b> |
|---|---------------------------|---------------------------|--|
| <b>Net cash from financing activities</b>                     | <b>(59.30)</b>            | <b>16.13</b>              | <b>58.11</b>                             |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>      | <b>(29.58)</b>            | <b>10.06</b>              | <b>22.77</b>                             |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>46.06</b>              | <b>36.00</b>              | <b>13.23</b>                             |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>16.48</b>              | <b>46.06</b>              | <b>36.00</b>                             |

RESTATED IND GAAP STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million)

| Particulars  | 31 March<br>2015 | 31 March<br>2014 |
|--|------------------|------------------|
| <b>Equity and liabilities</b>  |                  |                  |
| <b>Shareholders' funds</b>   |                  |                  |
| Share capital  | 69.90            | 69.90            |
| Reserves and surplus   | 92.88            | 33.82            |
| <b>Total (A)</b>   | <b>162.78</b>    | <b>103.72</b>    |
| <b>Non-current liabilities</b>   |                  |                  |
| Long-term borrowings   | 298.97           | 183.16           |
| Long-term provisions   | 2.90             | 0.90             |
| <b>Total (B)</b>   | <b>301.87</b>    | <b>184.06</b>    |
| <b>Current liabilities</b>   |                  |                  |
| Short-term borrowings  | 6.80             | 4.05             |
| Trade payables   |                  |                  |
| total outstanding dues to micro and small enterprises                      | -                | -                |
| total outstanding dues to creditors other than micro and small enterprises | 7.06             | 14.06            |
| Other current liabilities  | 145.57           | 92.38            |
| Short-term provisions  | 2.67             | 1.88             |
| <b>Total (C)</b>   | <b>162.10</b>    | <b>112.37</b>    |
| <b>Total (A+B+C)</b>   | <b>626.75</b>    | <b>400.15</b>    |
| <b>Assets</b>  |                  |                  |
| <b>Non-current assets</b>  |                  |                  |
| Fixed Assets   | 352.69           | 217.73           |
| Capital work-in-progress   | 16.95            | 4.06             |
| Non-current investments  | 72.61            | 14.40            |
| Deferred tax assets  | 7.06             | 4.88             |
| Long-term loans and advances   | 45.38            | 7.37             |
| <b>Total (D)</b>   | <b>494.69</b>    | <b>248.44</b>    |
| <b>Current assets</b>  |                  |                  |
| Inventories  | 12.70            | 14.87            |
| Trade receivables  | 61.45            | 64.93            |
| Cash and bank balances   | 18.01            | 40.68            |
| Short-term loans and advances  | 26.48            | 21.38            |
| Other current assets   | 13.42            | 9.85             |
| <b>Total (E)</b>   | <b>132.06</b>    | <b>151.71</b>    |
| <b>Total (D+E)</b>   | <b>626.75</b>    | <b>400.15</b>    |

**RESTATED IND GAAP STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS**

*(in ₹ million)*

| <b>Particulars</b>   | <b>31 March 2015</b> | <b>31 March 2014</b> |
|--|----------------------|----------------------|
| <b>Revenue</b>   |                      |                      |
| Revenue from operations  | 1,442.79             | 996.91               |
| Other income   | 9.20                 | 8.92                 |
| <b>Total Revenue</b>   | <b>1,451.99</b>      | <b>1,005.83</b>      |
| <b>Expenses</b>  |                      |                      |
| Purchases of traded goods  | 153.60               | 164.50               |
| Changes in inventories of traded goods                                 | 2.17                 | (1.67)               |
| Operating expenses   | 817.04               | 541.24               |
| Employee benefit expenses  | 165.63               | 97.50                |
| Finance costs  | 41.95                | 29.55                |
| Depreciation expense   | 132.56               | 88.81                |
| Other expenses   | 51.47                | 36.67                |
| <b>Total expenses</b>  | <b>1,364.42</b>      | <b>956.60</b>        |
| <b>Profit before tax</b>   | <b>87.57</b>         | <b>49.23</b>         |
| Tax expense  |                      |                      |
| Current tax  | 30.67                | 19.07                |
| Deferred tax   | (2.18)               | (2.49)               |
| (Excess)/short provision relating to earlier years                     | 0.02                 | -                    |
| <b>Net profit</b>  | <b>59.06</b>         | <b>32.65</b>         |
| <b>Basic &amp; Diluted Earning per Equity Share (EPS) (in Rupees)*</b> | <b>2.11</b>          | <b>1.16</b>          |

\* After adjusting for the bonus issue in Fiscal 2019

**RESTATED IND GAAP STANDALONE SUMMARY STATEMENT OF CASH FLOWS**
*(in ₹ million)*

| Particulars  | 31 March<br>2015 | 31 March<br>2014 |
|--|------------------|------------------|
| <b>(A) Cash flows from operating activities</b>                                    |                  |                  |
| <b>Profit before tax</b>   | <b>87.57</b>     | <b>49.23</b>     |
| Adjustments for :  |                  |                  |
| Depreciation expense   | 132.56           | 88.81            |
| Interest income  | (1.12)           | (1.25)           |
| Profit on sale of current investments  | (4.50)           | (0.05)           |
| Profit/Loss on sale of Fixed Assets(net)   | (0.20)           | 0.23             |
| Provision for Employee Benefit   | 2.10             | 1.04             |
| Finance cost   | 41.95            | 29.55            |
| <b>Operating profit before working capital changes</b>                             | <b>258.36</b>    | <b>167.56</b>    |
| Adjustments for :  |                  |                  |
| Increase/ (decrease) in trade payables   | (7.00)           | 2.26             |
| Increase in other liabilities and provisions                                       | 19.23            | 1.09             |
| (Increase) / decrease in loans and advances  | (43.11)          | (13.74)          |
| (Increase) / decrease in inventories   | 2.16             | (1.67)           |
| (Increase) in trade receivables  | 3.47             | 16.00            |
| (Increase) / decrease in other current and non-current assets                      | (3.56)           | (2.56)           |
| <b>Cash generated from operating activities</b>                                    | <b>229.55</b>    | <b>168.94</b>    |
| Income taxes paid (net)  | <b>(29.99)</b>   | <b>(17.71)</b>   |
| <b>Net cash generated from operating activities</b>                                | <b>199.56</b>    | <b>151.23</b>    |
| <b>(B) Cash flows from investing activities</b>                                    |                  |                  |
| Purchase of Fixed Assets (including Capital Work in progress and capital advances) | (282.45)         | (124.74)         |
| Proceeds from sale of property, plant and equipment                                | 2.24             | 0.72             |
| Proceeds from sale of investments  | 17.64            | 0.63             |
| Purchase of Non-current investments  | (71.35)          | (13.13)          |
| Investment in fixed deposits with bank   | (1.01)           | (1.65)           |
| Interest received  | 1.12             | 1.25             |
| <b>Net cash used in investing activities</b>                                       | <b>(333.81)</b>  | <b>(136.92)</b>  |
| <b>(C) Cash flows from financing activities</b>                                    |                  |                  |
| Current borrowings (Net)   | 2.75             | (0.76)           |
| Proceeds from long term borrowings   | 340.48           | 178.64           |
| Repayment of long term borrowings  | (190.71)         | (127.38)         |
| Interest paid  | (41.95)          | (29.55)          |
| <b>Net cash generated from financing activities</b>                                | <b>110.57</b>    | <b>20.95</b>     |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                           | <b>(23.68)</b>   | <b>35.26</b>     |
| <b>Cash and cash equivalents as at the beginning of the period</b>                 | <b>36.91</b>     | <b>1.65</b>      |
| <b>Cash and cash equivalents as at the end of the period</b>                       | <b>13.23</b>     | <b>36.91</b>     |

## THE OFFER

The following table summarises the details of the Offer:

|  |   |
|--|---|
| <b>Offer</b>   | <b>Up to [●] Equity Shares aggregating to ₹ 2,730.00 million</b>  |
| <i>Of which:</i>   |   |
| 1) Fresh Issue <sup>1)</sup>   | Up to [●] Equity Shares aggregating up to ₹ 2,250.00 million  |
| 2) Offer for Sale <sup>2) and 3)</sup>   | Up to [●] Equity Shares aggregating up to ₹ 480.00 million  |
| <i>The Offer consists of:</i>  |   |
| A. QIB Portion*  | Not more than [●] Equity Shares   |
| <i>Of which</i>  |   |
| (i) Anchor Investor Portion  | Up to [●] Equity Shares   |
| (ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares   |
| <i>Of which</i>  |   |
| a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)   | [●] Equity Shares   |
| b. Balance for all QIB including Mutual Funds  | [●] Equity Shares   |
| B. Non-Institutional Portion   | Not less than [●] Equity Shares   |
| C. Retail Portion  | Not less than [●] Equity Shares   |
| <b>Pre and post Offer Equity Shares</b>  |   |
| Equity Shares outstanding prior to the Offer   | 28,049,480 Equity Shares  |
| Equity Shares outstanding after the Offer  | [●] Equity Shares   |
| <b>Use of Net Proceeds</b>   | For details see the section “ <i>Objects of the Offer</i> ” on page 93 of this Draft Red Herring Prospectus. Our Company will not receive any proceeds from the Offer for Sale. |

*\*Our Company and Selling Shareholders may, in consultation with the BRLM, 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. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion 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. However, if aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionally to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Offer Procedure” on page 385 of this Draft Red Herring Prospectus.*

- 1) *The Fresh Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on September 10, 2018 and by our Shareholders pursuant to a resolution passed at the Extraordinary General Meeting held on September 14, 2018.*
- 2) *The Selling Shareholders have confirmed and approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below:*

| Sr. No. | Name of Shareholder | Selling Date of consent letter | Number of Equity Shares offered for sale                   |
|---------|---------------------|--------------------------------|--|
| 1.      | Pankaj Kumar Gandhi | September 14, 2018             | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |
| 2.      | Alka Pankaj Gandhi  | September 14, 2018             | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |

- 3) *The Equity Shares offered by the Selling Shareholders in the Offer have been held by them for a period of at least one year prior to the date of this Draft Red Herring Prospectus. 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. To the extent that the Equity Shares being offered in the Offer for Sale 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 were issued out of free reserves of our Company existing as on March 31, 2018. Accordingly, the Equity Shares being offered in the Offer for Sale are eligible in accordance with Regulation 26(6) of the SEBI ICDR Regulations. For more information, see “Capital Structure” on page 82 of this Draft Red Herring Prospectus.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see the sub-section titled “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 385 of this Draft Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as ‘Chartered Speed Private Limited’, a private limited company under the Companies Act, 1956 on May 22, 2007 at Ahmedabad and the Certificate of Incorporation was issued by the RoC. Our Company was converted to a public company pursuant to a special resolution passed by our shareholders on August 23, 2018 and consequently, the name of our Company was changed to ‘Chartered Speed Limited.’ A fresh certificate of incorporation consequent upon change of name upon conversion into public company was issued by the RoC on September 10, 2018.

**Corporate Identity Number:** U63030GJ2007PLC050923

### Registered Office

Sarkhej – Bavla Highway  
Sanathal, Sarkhej  
Ahmedabad – 382 210  
Gujarat, India.

**Telephone:** +91 99 798 89920

**Fax:** Not available

**E-mail:** cs@charteredspeed.com

**Website:** www.charteredspeed.com

For details in relation to change in the location of the registered office of our Company, see “History and Certain Corporate Matters” on page 167 of this Draft Red Herring Prospectus.

### Address of the RoC

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

RoC Bhavan, Opposite Rupal Park Society  
Behind Ankur Bus Stop, Naranpura  
Ahmedabad – 380 013  
Gujarat, India

### Board of Directors

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

| Name                     | Designation                       | DIN      | Address  |
|--------------------------|-----------------------------------|----------|--|
| Mohib Nomanbhai Khericha | Chairman and Independent Director | 00010365 | 4, Sarita Kunj Society, PT College Road, Paldi, Ahmedabad – 380 007, Gujarat, India              |
| Pankaj Kumar Gandhi      | Managing Director                 | 00414409 | 10, Aditraj Bungalows, Near Prernatirth Derasar Satellite, Ahmedabad – 380 015, Gujarat, India.  |
| Sanyam Gandhi            | Whole-time Director               | 07160760 | 10, Aditraj Bungalows, Near Prernatirth Derasar, Satellite, Ahmedabad – 380 015, Gujarat, India. |
| Alka Pankaj Gandhi       | Non-Executive Director            | 00414420 | 10, Aditraj Bungalows, Near Prernatirth Derasar Satellite, Ahmedabad – 380 015, Gujarat, India.  |
| Arupkumar Basu           | Independent Director              | 00906760 | G – 1, Sankul Apartment, S. M. Road, Old Excise Chowki Ambawadi,                                 |

| <b>Name</b> | <b>Designation</b>   | <b>DIN</b> | <b>Address</b>   |
|-------------|----------------------|------------|--|
|             |                      |            | Manekbag, Ahmedabad – 380 015,<br>Gujarat, India                                       |
| Amit Bhatt  | Independent Director | 07219383   | WW 10, 1st Floor, Malibu Town,<br>Islampur (97), Gurugram – 122 018,<br>Haryana, India |

For brief profiles and further details of our Directors, please see “*Our Management*” on page 174 of this Draft Red Herring Prospectus.

#### **Chief Financial Officer**

##### **Deen Bandhu Gaggar**

Sarkhej – Bavla Highway  
Sanathal, Sarkhej  
Ahmedabad – 382 210  
Gujarat, India.

**Telephone:** +91 99 798 89920

**Fax:** Not available

**E-mail:** dbg@charteredspeed.com

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

##### **Nirav Prakashchandra Patel**

Sarkhej – Bavla Highway  
Sanathal, Sarkhej  
Ahmedabad – 382 210  
Gujarat, India.

**Telephone:** +91 99 798 89920

**Fax:** Not available

**E-mail:** cs@charteredspeed.com

#### **Investor Grievances**

Bidders may contact the Company Secretary and Compliance Officer, the BRLM, the Registrar to the Offer or the respective SCSBs 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. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM or the Registrar to the Offer, in the manner provided below.

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 BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

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

Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

### **Book Running Lead Manager**

#### **Equirus Capital Private Limited**

12th Floor, C Wing, Marathon Futurex

N. M. Joshi Marg, Lower Parel

Mumbai – 400 013

Maharashtra, India.

**Telephone:** +91 22 4332 0600

**Fax:** +91 22 4332 0601

**E-mail:** csl.ipo@equirus.com

**Investor Grievance E-mail:** investorsgrievance@equirus.com

**Website:** www.equirus.com

**Contact Person:** Ankesh Jain / Gaurav Phadke

**SEBI Registration No.:** INM000011286

### **Syndicate Members**

[•]

### **Responsibilities of the Book Running Lead Manager**

Equirus Capital Private Limited is the sole Book Running Lead Manager to this Offer. The list of major responsibilities of the Book Running Lead Manager, *inter alia*, is as follows:

| <b>Sr. No.</b> | <b>Activity</b>   | <b>Responsibility</b> |
|----------------|---|-----------------------|
| 1.             | Capital Structuring with relative components and formalities such as type of instruments, etc.  | BRLM                  |
| 2.             | Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of RHP, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities | BRLM                  |
| 3.             | Drafting and approval of all statutory advertisement  | BRLM                  |
| 4.             | Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.   | BRLM                  |
| 5.             | Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency, Monitoring Agency and Bankers to the Offer (including coordinating all agreements to be entered with such parties)   | BRLM                  |
| 6.             | Preparation of road show presentation and FAQs  | BRLM                  |

| <b>Sr. No.</b> | <b>Activity</b>   | <b>Responsibility</b> |
|----------------|---|-----------------------|
| 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</li> <li>Finalizing the International road show schedule and investor meeting schedules</li> </ul>   | BRLM                  |
| 8.             | Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"> <li>Finalizing the list and division of investors for one to one meetings, and</li> <li>Finalizing investor meeting schedules</li> </ul>   | BRLM                  |
| 9.             | Non-Institutional and 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>Finalising collection centres; and</li> <li>Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material</li> </ul>  | BRLM                  |
| 10.            | Co-ordination with Stock Exchanges for Book Building software, bidding terminals, mock trading and deposit of 1% security deposit   | BRLM                  |
| 11.            | Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders   | BRLM                  |
| 12.            | Post-offer activities, which shall involve managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, coordinating underwriting, coordination of non-institutional allocation, finalization of the basis of allotment based on technical rejections, essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc. | BRLM                  |
| 13.            | Payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and media compliance report.  | BRLM                  |

#### **Legal Counsel to the Offer**

**M/s. Crawford Bayley & Co.**

4th Floor, State Bank Buildings

N.G.N. Vaidya Marg, Fort

Mumbai 400 023

Maharashtra, India

**Telephone:** +91 22 2266 8000

**Facsimile:** +91 22 2266 3978

**Email:** sanjay.asher@crawfordbayley.com

#### **Registrar to the Offer**

**Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247 Park

Lal Bahadur Shastri Marg, Vikhroli (West)  
Mumbai – 400 083  
Maharashtra, India.  
**Telephone:** +91 22 4918 6200  
**Fax:** +91 22 49186195  
**Email:** chartered-speed.ipo@linkintime.co.in  
**Investor Grievance E-mail:** chartered-speed.ipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**Website:** www.linkintime.co.in  
**SEBI Registration Number:** INR000004058

#### **Statutory Auditor to our Company**

**Mukesh M. Shah & Co.,**  
**Chartered Accountants**  
7<sup>th</sup> Floor, Heritage Chambers  
Behind Bikanerwala, Off S.M. Road  
Near Azad Society, Nehru Nagar  
Ahmedabad – 380 015  
Gujarat, India.  
**Telephone:** 079 – 2647 2000  
**Fax:** +91 79 26581236  
**Email:** mukesh@mmsco.in / karnik@mmsco.in  
**Contact Person:** Mukesh M. Shah / Karnik Shah  
**Firm Registration Number:** 106625W

#### **Bankers to our Company**

**HDFC Bank Limited**  
CV-WC Department,  
2<sup>nd</sup> Floor, Astral Building,  
Near Mithakhali Six Road,  
Navrangpura,  
Ahmedabad – 380 009  
Gujarat, India.  
**Telephone:** +91 98 257 54579  
**Fax:** Not available  
**E-mail:** binoy.ramolia@hdfcbank.com  
**Contact Person:** Binoy Ramolia

**Axis Bank Limited**  
Axis Bank Limited, “TRISHUL”,  
Third Floor, Opposite Samarsheshwar Temple,  
Near Law Garden, Ellisbridge,  
Ahmedabad – 380 006  
Gujarat, India.  
**Telephone:** +91 79 661 35400  
**Fax:** Not available  
**E-mail:** sandeep.bhattacharjee@axisbank.com  
**Contact Person:** Sandeep Bhattacharjee

**ICICI Bank Limited**  
5<sup>th</sup> Floor, Heritage Chamber,  
Near Azad Society,  
Nehrunagar,  
Ahmedabad – 380 015

**DCB Bank Limited**  
O.P. Road Branch,  
Opposite ABS Tower,  
O.P. Road, Vadodara,  
Gujarat, India.  
**Telephone:** +91 82 387 33300 / 90 330 00232  
**Fax:** Not available  
**E-mail:** Nilesh.manoriya@dcbbank.com  
**Contact Person:** Nilesh Manoriya

**Kotak Mahindra Bank Limited**  
Shop No. 325, 3<sup>rd</sup> Floor,  
Siddhivinayak Complex,  
Shivranjani BRTS, Satellite,  
Ahmedabad – 380 015  
Gujarat, India.  
**Telephone:** +91 99 099 41190  
**Fax:** Not available  
**E-mail:** ketan.bhatt@kotak.com  
**Contact Person:** Ketan Bhatt

**IDBI Bank Limited**  
IDBI Complex, 1<sup>st</sup> Floor,  
MCG Department,  
Lal Bungalow, Off CG Road,  
Ahmedabad – 380 006

Gujarat, India.  
**Telephone:** +91 79 405 15373  
**Fax:** Not available  
**E-mail:** shah.neel@icicibank.com  
**Contact Person:** Neel Shah

Gujarat, India.  
**Telephone:** +91 79 6607 2600  
**Fax:** Not available  
**E-mail:** kapil.vaghela@idbi.co.in  
**Contact Person:** Kapil Vaghela

#### **Escrow Bank**

[•]

#### **Public Issue Account Bank**

[•]

#### **Refund Bank**

[•]

#### **Designated Intermediaries**

#### **Self Certified Syndicate Banks**

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the website of the SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/sub-Syndicate or through a Registered Broker, CRTA or CDP, may submit the Bid cum Application Forms is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the website of the SEBI, or at such other websites as may be prescribed by SEBI from time to time.

#### **Syndicate SCSB Branches**

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

#### **Registered Brokers**

[•]

#### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone numbers, and e-mail address, are provided on the websites BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, or such other websites as updated from time to time.

#### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and <http://www.nseindia.com/pro>

ducts/content/equities/ipos/asba\_procedures.htm, respectively, or such other websites as updated from time to time.

### **Expert**

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

Our Company has received written consent dated September 24, 2018 from our Statutory Auditor, Mukesh M. Shah & Co., Chartered Accountants to include their name as “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in relation to their examination reports, dated September 22, 2018 on the Restated Financial Statements and their report dated September 25, 2018 on the Statement of Tax Benefits included in this Draft Red Herring prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

### **Credit Rating**

As the Offer comprises of Equity Shares, there is no credit rating for the Offer.

### **Trustees**

As this is an offer of Equity Shares, there are no trustees appointed for the Offer.

### **Monitoring Agency**

Since the proceeds from the Fresh Issue exceeds ₹ 1,000 million, the Company has appointed [●] as the Monitoring Agency in relation to the Issue in accordance with Regulation 16 of the SEBI ICDR Regulations.

### **Grading of the Offer**

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

### **Appraising Entity**

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

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLM and advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and Ahmedabad editions of Gujarati newspaper [●] (Gujarati being the regional language of Gujarat 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 on their website. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM, after the Bid/ Offer Closing Date.

**All potential Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

In accordance with the SEBI ICDR Regulations, QIB Bidders (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors cannot withdraw their Bids after the

Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. By submitting a Bid, each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer. For further details, see “Offer Structure” and “Offer Procedure” on pages 382 and 385 respectively, of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI in relation to the Offer. The Selling Shareholders have specifically confirmed that they will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI, as applicable to the Selling Shareholders, in relation to the Equity Shares offered in the Offer for Sale. In this regard, our Company and the Selling Shareholders have appointed the BRLM to manage the Offer and procure Bids for the Offer.

Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid. Bidders should note 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 approval of the RoC after the Prospectus is registered with the RoC.

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

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

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation” on page 385 of this Draft Red Herring Prospectus.

### **Offer Programme**

For details on the Offer Programme, see “Terms of the Offer” on page 376 of this Draft Red Herring Prospectus.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the registration of the Prospectus with the RoC, our Company and the Selling Shareholders intend on entering into the Underwriting Agreement with the Underwriters for the Equity Shares. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. 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 (₹ million)</b> |
|--|--|--|
| [●]  | [●]  | [●]                                    |

In the opinion of the Board of Directors (based on certificates provided 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 BRLM and the Syndicate Members 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 subscribers or 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 at the date of this Draft Red Herring Prospectus is set forth below:

|          |   | <i>(₹ in million, except share data)</i> |  |
|----------|---|--|--|
|          |   | Aggregate<br>nominal<br>value            | Aggregate<br>value at Offer<br>Price <sup>1)</sup> |
| <b>A</b> | <b>AUTHORISED SHARE CAPITAL</b>   |  |  |
|          | 40,000,000 Equity Shares  | 400.00                                   |  |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER</b>            |  |  |
|          | 28,049,480 Equity Shares  | 280.49                                   |  |
| <b>C</b> | <b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>2)</sup></b> |  |  |
|          | Up to [●] Equity Shares   |  | [●] Up to 2,730.00                                 |
|          | <i>of which</i>   |  |  |
|          | <b>Fresh Issue</b>  |  |  |
|          | Up to [●] Equity Shares   |  | [●] Up to 2,250.00                                 |
|          | <b>Offer for Sale</b>   |  |  |
|          | Up to [●] Equity Shares <sup>3)</sup>   |  | [●] Up to 480.00                                   |
| <b>D</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>             |  |  |
|          | [●] Equity Shares   |  | [●]  |
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b>   |  |  |
|          | Before the Offer  |  | NIL  |
|          | After the Offer   |  | [●]  |

1) To be finalized upon determination of the Offer Price.

2) The Fresh Issue has been authorized by a resolution of our Board of Directors in their meeting held on September 10, 2018 and a resolution of our Shareholders in their Extraordinary General Meeting held on September 14, 2018.

3) The Selling Shareholders have confirmed and approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below:

| Sr.<br>No. | Name of<br>Shareholder | Selling | Date of consent<br>letter | Number of Equity Shares offered for sale                   |
|------------|------------------------|---------|---------------------------|--|
| 1.         | Pankaj Kumar Gandhi    |         | September 14,<br>2018     | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |
| 2.         | Alka Pankaj Gandhi     |         | September 14,<br>2018     | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |

### Changes in our Authorised Share Capital

For details in relation to the changes in the authorized share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 167 of this Draft Red Herring Prospectus.

### Notes to Capital Structure

#### 1. Share capital history

History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

| Date of allotment | Number of Equity Shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Nature of transaction   | Cumulative number of Equity Shares | Cumulative paid up Equity Share capital (₹) |
|-------------------|-------------------------|----------------|----------------------------------|-------------------------|---|------------------------------------|---|
| May 22, 2007      | 10,000                  | 10             | 10                               | Cash                    | Initial Subscription to the MoA dated May 12, 2007 <sup>(1)</sup> | 10,000                             | 100,000                                     |
| January 31, 2008  | 70,000                  | 10             | 100                              | Cash                    | Preferential allotment <sup>(2)</sup>                             | 80,000                             | 800,000                                     |
| February 10, 2009 | 20,000                  | 10             | 100                              | Cash                    | Preferential allotment <sup>(3)</sup>                             | 100,000                            | 1,000,000                                   |
| March 30, 2009    | 35,000                  | 10             | 10                               | Cash                    | Preferential allotment <sup>(4)</sup>                             | 135,000                            | 1,350,000                                   |
| March 31, 2011    | 301,850                 | 10             | 100                              | Cash                    | Preferential allotment <sup>(5)</sup>                             | 436,850                            | 4,368,500                                   |
| January 31, 2014  | 6,552,750               | 10             | –                                | –                       | Bonus issue in the ratio of 15:1 <sup>(6)</sup>                   | 6,989,600                          | 69,896,000                                  |
| March 31, 2018    | 22,770                  | 10             | 1,100                            | Cash                    | Rights issue <sup>(7)</sup>                                       | 7,012,370                          | 70,123,700                                  |
| September 8, 2018 | 21,037,110              | 10             | –                                | –                       | Bonus issue in the ratio of 3:1 <sup>(8)</sup>                    | 28,049,480                         | 280,494,800                                 |

(1) Initial subscription to the MoA of 5,000 Equity Shares each to Lalitkumar Gandhi and Taru Lalitkumar Gandhi.

(2) Allotment of 20,000 Equity Shares to Kailash Ficom Limited; 15,000 Equity Shares to Shivpujan Agencies Private Limited; 20,000 Equity Shares to Goldstar Finvest Private Limited and 15,000 Equity Shares to Nexus Software Limited.

(3) Allotment of 20,000 Equity Shares to Chartered Capital and Investment Limited.

(4) Allotment of 35,000 Equity Shares to Pankaj Kumar Gandhi.

(5) Allotment of 101,850 Equity Shares to Pankaj Kumar Gandhi and 200,000 Equity Shares to Alka Pankaj Gandhi.

(6) Allotment of 3,327,750 Equity Shares to Pankaj Kumar Gandhi and 3,225,000 Equity Shares allotted to Alka Pankaj Gandhi by a capitalization of the reserves and surplus of our Company.

(7) Allotment of 22,770 Equity Shares to Alka Pankaj Gandhi;

(8) Allotment of 10,647,300 Equity Shares to Pankaj Kumar Gandhi, 10,388,310 Equity Shares to Alka Pankaj Gandhi, 300 Equity Shares to Sanyam Gandhi, 300 Equity Shares to Kinjal Gandhi, 300 Equity Shares to Moksha Gandhi, 300 Equity Shares to Devang Sanghvi and 300 Equity Shares to Dinesh Genaramji Mistry.

**2. As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.**

**3. Issue of Equity Shares for consideration other than cash or bonus or out of revaluation reserves**

Our Company has not issued any Equity Shares for consideration other than cash or bonus at any time since incorporation except as set forth below. Further, none of the issuance of equity shares through a bonus issue is out of revaluation reserves.

| Date of allotment/date when fully paid up | Number of Equity Shares | Face value (₹) | Issue Price | Reasons for allotment                           | Benefits accrued to our Company |
|---|-------------------------|----------------|-------------|---|---------------------------------|
| January 31, 2014                          | 6,552,750               | 10             | –           | Bonus issue in the ratio of 15:1 <sup>(1)</sup> | N.A.                            |

| Date of allotment/date when fully paid up | Number of Equity Shares | Face value (₹) | Issue Price | Reasons for allotment                          | Benefits accrued to our Company |
|---|-------------------------|----------------|-------------|--|---------------------------------|
| September 8, 2018                         | 21,037,110              | 10             | -           | Bonus issue in the ratio of 3:1 <sup>(2)</sup> | N.A.                            |

(1) Allotment of 3,327,750 Equity Shares to Pankaj Kumar Gandhi and 3,225,000 Equity Shares allotted to Alka Pankaj Gandhi by a capitalization of the reserves and surplus of our Company.

(2) Allotment of 10,647,300 Equity Shares to Pankaj Kumar Gandhi, 10,388,310 Equity Shares to Alka Pankaj Gandhi, 300 Equity Shares to Sanyam Gandhi, 300 Equity Shares to Kinjal Gandhi, 300 Equity Shares to Moksha Gandhi, 300 Equity Shares to Devang Sanghvi and 300 Equity Shares to Dinesh Genaramji Mistry.

#### 4. Issue of Equity Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see “Capital Structure – Notes to Capital Structure – Share Capital History – History of Equity Shares capital of our Company” on page 82 of this Draft Red Herring Prospectus.

#### 5. History of build-up, Promoters’ Contribution and lock-in of Promoters’ shareholding

As on the date of the Draft Red Herring Prospectus, our Promoters collectively hold 28,047,480 Equity Shares, constituting 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters’ shareholding is set out below.

##### a. Build-up of Promoters’ shareholding in our Company

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

| Date of allotment/transfer | Number of Equity Shares | Nature of consideration | Face value (₹) | Issue/acquisition price (₹) | Nature of Transaction                            | % of the pre-Offer Equity Share capital | % of the post-Offer Equity Share capital |
|----------------------------|-------------------------|-------------------------|----------------|-----------------------------|--|---|--|
| <b>Pankaj Kumar Gandhi</b> |                         |                         |                |                             |  |   |  |
| October 10, 2008           | 1,200                   | Cash                    | 10             | 10                          | Transfer from Lalit Gandhi                       | 0.00                                    | [●]                                      |
| October 10, 2008           | 20,000                  | Cash                    | 10             | 10                          | Transfer from Kailash Ficom Limited              | 0.07                                    | [●]                                      |
| October 10, 2008           | 15,000                  | Cash                    | 10             | 10                          | Transfer from Shivpujan Agencies Private Limited | 0.05                                    | [●]                                      |
| October 10, 2008           | 20,000                  | Cash                    | 10             | 10                          | Transfer from Gold Star Finvest Private Limited  | 0.07                                    | [●]                                      |
| October 10, 2008           | 15,000                  | Cash                    | 10             | 10                          | Transfer from Nexus Software Limited             | 0.05                                    | [●]                                      |
| March 30, 2009             | 35,000                  | Cash                    | 10             | 10                          | Preferential allotment                           | 0.12                                    | [●]                                      |
| September 25, 2009         | (6,200)                 | Cash                    | 10             | 10                          | Transfer to Dayajeet Nimay                       | (0.02)                                  | [●]                                      |

| Date of allotment/ transfer | Number of Equity Shares | Nature of consideration | Face value (₹) | Issue/ acquisition price (₹) | Nature of Transaction   | % of the pre-Offer Equity Share capital | % of the post-Offer Equity Share capital |
|-----------------------------|-------------------------|-------------------------|----------------|------------------------------|---|---|--|
| December 9, 2010            | 20,000                  | Cash                    | 10             | 100                          | Bus Logistics Private Limited<br>Transfer from Chartered Capital and Investment Limited | 0.07                                    | [●]                                      |
| March 31, 2011              | 101,850                 | Cash                    | 10             | 100                          | Preferential allotment  | 0.36                                    | [●]                                      |
| January 31, 2014            | 3,327,750               | –                       | 10             | –                            | Bonus issue in the ratio of 15:1  | 11.86                                   | [●]                                      |
| August 20, 2018             | (100)                   | Gift                    | 10             | –                            | Transfer to Kinjal Gandhi   | 0.00                                    | [●]                                      |
| August 20, 2018             | (100)                   | Gift                    | 10             | –                            | Transfer to Moksha Gandhi   | 0.00                                    | [●]                                      |
| August 20, 2018             | (100)                   | Gift                    | 10             | –                            | Transfer to Dinesh Genaramji Mistry   | 0.00                                    | [●]                                      |
| August 20, 2018             | (100)                   | Gift                    | 10             | –                            | Transfer to Devang Sanghvi  | 0.00                                    | [●]                                      |
| August 20, 2018             | (100)                   | Gift                    | 10             | –                            | Transfer to Sanyam Gandhi   | 0.00                                    | [●]                                      |
| September 8, 2018           | 10,647,300              | –                       | 10             | –                            | Bonus issue in the ratio of 3:1   | 37.96                                   | [●]                                      |
| <b>(A) Sub-total</b>        | <b>14,196,400</b>       |                         |                |                              |   | <b>50.61</b>                            |  |
| <b>Alka Pankaj Gandhi</b>   |                         |                         |                |                              |   |   |  |
| December 10, 2010           | 15,000                  | Cash                    | 10             | 10                           | Transfer from Dayajeet Nimay Bus Logistics Private Limited                              | 0.05                                    | [●]                                      |
| March 31, 2011              | 200,000                 | Cash                    | 10             | 100                          | Preferential allotment  | 0.71                                    | [●]                                      |
| January 31, 2014            | 3,225,000               | –                       | 10             | –                            | Bonus issue in the ratio of 15:1  | 11.50                                   | [●]                                      |
| March 31, 2018              | 22,770                  | Cash                    | 10             | 1,100                        | Rights Issue  | 0.08                                    | [●]                                      |
| September 8, 2018           | 10,388,310              | –                       | 10             | –                            | Bonus issue in the ratio of 3:1   | 37.04                                   | [●]                                      |
| <b>(B) Sub-total</b>        | <b>13,851,080</b>       |                         |                |                              |   | <b>49.38</b>                            | <b>[●]</b>                               |
| <b>Total (A+B)</b>          | <b>28,047,480</b>       |                         |                |                              |   | <b>99.99</b>                            | <b>[●]</b>                               |

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 our Promoters are pledged.

**b. Shareholding of our Promoters and the members of our Promoter Group**

Provided below are details of Equity Shares held by our Promoters and the members of our Promoter Group as on the date of this Draft Red Herring Prospectus:

| Sr. No                | Name of shareholder | Pre - Offer          |                                     | Post Offer           |                                      |
|-----------------------|---------------------|----------------------|-------------------------------------|----------------------|--------------------------------------|
|                       |                     | No. of Equity Shares | Percentage of pre-Offer capital (%) | No. of Equity Shares | Percentage of post-Offer capital (%) |
| <b>Promoters</b>      |                     |                      |                                     |                      |                                      |
| 1.                    | Pankaj Kumar Gandhi | 14,196,400           | 50.61                               | [●]                  | [●]                                  |
| 2.                    | Alka Pankaj Gandhi  | 13,851,080           | 49.38                               | [●]                  | [●]                                  |
| <b>Subtotal (A)</b>   |                     | <b>28,047,480</b>    | <b>99.99</b>                        | [●]                  | [●]                                  |
| <b>Promoter Group</b> |                     |                      |                                     |                      |                                      |
| 1.                    | Sanyam Gandhi       | 400                  | 0.00                                | [●]                  | [●]                                  |
| 2.                    | Kinjal Gandhi       | 400                  | 0.00                                | [●]                  | [●]                                  |
| 3.                    | Moksha Gandhi       | 400                  | 0.00                                | [●]                  | [●]                                  |
| <b>Subtotal (B)</b>   |                     | <b>1,200</b>         | <b>0.00</b>                         |                      |                                      |
| <b>Total (A+B)</b>    |                     | <b>28,048,680</b>    | <b>99.99</b>                        |                      |                                      |

**c. Details of Promoters' Contribution locked-in for three years**

- i. Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be locked-in as minimum promoters' contribution for a period of three years from the date of Allotment ("**Promoters' Contribution**") and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of the Allotment.
- ii. Details of the Equity Shares to be locked-in for three years as minimum Promoters' Contribution are as follows:

| Name of the Promoters | No. of Equity Shares locked-in | Date of transaction | Face value (₹) | Allotment/ acquisition price (₹) | Nature of Transaction | % of the pre-Offer Equity Share capital | % of the post-Offer Equity Share capital |
|-----------------------|--------------------------------|---------------------|----------------|----------------------------------|-----------------------|---|--|
| Pankaj Kumar Gandhi   | [●]                            | [●]                 | [●]            | [●]                              | [●]                   | [●]                                     | [●]                                      |
| Alka Pankaj Gandhi    | [●]                            | [●]                 | [●]            | [●]                              | [●]                   | [●]                                     | [●]                                      |
| <b>Total</b>          | [●]                            | [●]                 | [●]            | [●]                              | [●]                   | [●]                                     | [●]                                      |

- iii. The minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- iv. In this connection, we confirm the following:
  - The Equity Shares offered for Promoters' Contribution do not include (a) Equity Shares acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

- The Promoters' Contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being issued to the public in the Issue. Provided that any Equity Shares acquired in terms of the scheme under sections 391-394 of the Companies Act, 1956 or sections 230 to 240 of the Companies Act, 2013 (as the case may be), as approved by a High Court / National Company Law Tribunal, by our Promoters in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval shall be eligible for Promoter's Contribution;
- All the Equity Shares of our Company held by our Promoters are in dematerialised form;
- The Equity Shares forming part of the Promoters' Contribution are not pledged with any creditor; and
- Our Company has not been formed by conversion of one or more partnership firms.

#### **6. Details of share capital locked-in for one year**

- a. In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above and the Equity Shares which are sold or transferred as part of the Offer for Sale by the Selling Shareholders, 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.
- b. The Equity Shares held by our Promoters, which are locked-in may be transferred to and among the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.
- c. Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. The equity Shares locked in as "Promoters' Contribution" may be pledged only if the loan has been granted by the Scheduled commercial bank or public financial institution for the purpose of financing one or more of the Objects of the Offer, and such pledge of the Equity Shares is one of the terms of the sanction of the loan.
- d. The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

#### **Lock-in of Equity Shares Allotted to Anchor Investors**

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

## 7. Our shareholding pattern

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

| Category (I) | Category of the Shareholder (II)                | No. of Shareholders (III) | No. of fully paid up equity shares held (IV) | No. of partially paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No. 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) (VIII) | No. 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 % 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 dematerialized from (XIV) |
|--------------|---|---------------------------|--|---|---|---|--|--|-------------|-------------------|-------------------------------------|--|---|----------------------------------|------------------------------|---|------------------------------|---|
|              |   |                           |  |   |   |   |  | No. of Voting Rights                                       |             |                   | Total as a % of total voting rights |  |   | No. (a)                          | As a % total shares held (b) | No. (a)   | As a % total shares held (b) |   |
|              |   |                           |  |   |   |   |  | Class Equity   | Class eg: Y | Total             |                                     |  |   |                                  |                              |   |                              |   |
| (A)          | Promoter & Promoter Group                       | 5                         | 28,048,680                                   | 0   | 0   | 28,048,680                                  | 99.99  | 28,048,680   | 0           | 28,048,680        | 99.99                               | 0  | 0   | 0                                | 0                            | 0   | 0                            | 28,048,680  |
| (B)          | Public  | 2                         | 800  | 0   | 0   | 800   | 0.00   | 800  | 0           | 800               | 0.00                                | 0  | 0   | 0                                | 0                            | 0   | 0                            | 800   |
| (C)          | Non-Promoter-Non Public                         | 0                         | 0  | 0   | 0   | 0   | 0  | 0  | 0           | 0                 | 0                                   | 0  | 0   | 0                                | 0                            | 0   | 0                            | 0   |
| (1)          | Shares underlying Custodian/Depository Receipts | 0                         | 0  | 0   | 0   | 0   | 0  | 0  | 0           | 0                 | 0                                   | 0  | 0   | 0                                | 0                            | 0   | 0                            | 0   |
| (2)          | Shares held by Employee Trusts                  | 0                         | 0  | 0   | 0   | 0   | 0  | 0  | 0           | 0                 | 0                                   | 0  | 0   | 0                                | 0                            | 0   | 0                            | 0   |
|              | <b>Total (A)+(B)+(C)</b>                        | <b>7</b>                  | <b>28,049,480</b>                            | <b>0</b>  | <b>0</b>  | <b>28,049,480</b>                           | <b>100.00</b>  | <b>29,049,480</b>  | <b>0</b>    | <b>28,049,480</b> | <b>100.00</b>                       | <b>0</b>   | <b>0</b>  | <b>0</b>                         | <b>0</b>                     | <b>0</b>  | <b>0</b>                     | <b>28,049,480</b>   |

## 8. Shareholding of our Directors and Key Managerial Personnel in our Company

Other than as set forth below, none of our Directors and Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name                    | Director/ Key Managerial Personnel | No. of Equity Shares | Percentage of pre- Offer capital (%) |
|---------|-------------------------|------------------------------------|----------------------|--------------------------------------|
| 1.      | Pankaj Kumar Gandhi     | Managing Director                  | 14,196,400           | 50.61                                |
| 2.      | Alka Pankaj Gandhi      | Non – Executive Director           | 13,851,080           | 49.38                                |
| 3.      | Sanyam Gandhi           | Whole-time Director                | 400                  | 0.00                                 |
| 4.      | Dinesh Genaramji Mistry | Chief Technical Officer            | 400                  | 0.00                                 |

9. As on the date of this Draft Red Herring Prospectus, our Company has 7 shareholders of Equity Shares.

## 10. Top 10 shareholders

a) Currently, our Company has 7 shareholders of Equity Shares. The number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus are as follows

| Sr. No       | Name of shareholder     | No. of Equity Shares | Percentage of pre- Offer capital (%) |
|--------------|-------------------------|----------------------|--------------------------------------|
| 1.           | Pankaj Kumar Gandhi     | 14,196,400           | 50.61                                |
| 2.           | Alka Pankaj Gandhi      | 13,851,080           | 49.38                                |
| 3.           | Sanyam Gandhi           | 400                  | 0.00                                 |
| 4.           | Kinjal Gandhi           | 400                  | 0.00                                 |
| 5.           | Moksha Gandhi           | 400                  | 0.00                                 |
| 6.           | Dinesh Genaramji Mistry | 400                  | 0.00                                 |
| 7.           | Devang Sanghvi          | 400                  | 0.00                                 |
| <b>Total</b> |                         | <b>28,049,480</b>    | <b>100.00</b>                        |

b) As of 10 days prior to filing of this Draft Red Herring Prospectus, our Company had 7 Shareholders of Equity Shares. The number of Equity Shares held by them as of ten days prior to filing of this Draft Red Herring Prospectus are as follows:

| Sr. No       | Name of shareholder     | No. of Equity Shares | Percentage of pre- Offer capital (%) |
|--------------|-------------------------|----------------------|--------------------------------------|
| 1.           | Pankaj Kumar Gandhi     | 14,196,400           | 50.61                                |
| 2.           | Alka Pankaj Gandhi      | 13,851,080           | 49.38                                |
| 3.           | Sanyam Gandhi           | 400                  | 0.00                                 |
| 4.           | Kinjal Gandhi           | 400                  | 0.00                                 |
| 5.           | Moksha Gandhi           | 400                  | 0.00                                 |
| 6.           | Dinesh Genaramji Mistry | 400                  | 0.00                                 |
| 7.           | Devang Sanghvi          | 400                  | 0.00                                 |
| <b>Total</b> |                         | <b>28,049,480</b>    | <b>100.00</b>                        |

c) As of two years prior to filing of this Draft Red Herring Prospectus, our Company had two Shareholders of Equity Shares. The number of Equity Shares held by them as of two years prior to filing of this Draft Red Herring Prospectus are as follows:

| Sr. No | Name of shareholder | No. of Equity Shares | Percentage of pre- Offer capital (%) |
|--------|---------------------|----------------------|--------------------------------------|
| 1.     | Pankaj Kumar Gandhi | 3,549,600            | 50.78                                |
| 2.     | Alka Pankaj Gandhi  | 3,440,000            | 49.22                                |

| Sr. No       | Name of shareholder | No. of Equity Shares | Percentage of pre-Offer capital (%) |
|--------------|---------------------|----------------------|-------------------------------------|
| <b>Total</b> |                     | <b>6,989,600</b>     | <b>100.00</b>                       |

11. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.

**12. Issue of Equity Shares at a price that may be lower than the Offer Price in the last year**

Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year immediately preceding the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Allottee                         | Date of Allotment | No. of Equity Shares | Allotment price (₹) | Reason   | Whether part of the Promoter Group |
|---------|--|-------------------|----------------------|---------------------|--|------------------------------------|
| 1.      | Alka Pankaj Gandhi                       | March 31, 2018    | 22,770               | 1,100               | Rights Issue                                   | Yes                                |
| 2.      | The existing shareholders of our Company | September 8, 2018 | 21,037,110           | -                   | Bonus issue in the ratio of 3:1 <sup>(1)</sup> | Yes <sup>(2)</sup>                 |

(1) Allotment of 10,647,300 Equity Shares to Pankaj Kumar Gandhi, 10,388,310 Equity Shares to Alka Pankaj Gandhi, 300 Equity Shares to Sanyam Gandhi, 300 Equity Shares to Kinjal Gandhi, 300 Equity Shares to Moksha Gandhi, 300 Equity Shares to Devang Sanghvi and 300 Equity Shares to Dinesh Genaramji Mistry.  
(2) Devang Sanghvi and Dinesh Genaramji Mistry do not form part of the Promoter Group.

13. Except as disclosed in this Draft Red Herring Prospectus, none of the members of our Promoter Group, our Promoters, our Directors or their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

14. Our Company, our Directors or the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.

15. Neither the BRLM nor its associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLM and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.

16. Except for Mutual Funds sponsored by entities related to the BRLM, Syndicate Members and any persons related to the BRLM or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion. No person related to our Promoters or other members of the Promoter Group shall apply under the Anchor Investor Portion.

17. No person connected with the Offer, including, but not limited to, the BRLM, the Syndicate Members, our Company, our Subsidiaries, Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

19. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

20. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or provisions of Sections 230 to 240 of the Companies Act, 2013.
21. Our Company presently does not intend, propose, is under negotiation or consideration, and without the consent of the BRLM will not alter the capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares 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 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.
22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
23. There have been no financing arrangements whereby our Promoters, the members of our Promoter Group, our Directors and their relatives (as defined in the Companies Act, 2013), have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
24. Other than with respect to the Offer for Sale, our Promoters and members of our Promoter Group will not submit Bids in this Offer.
25. In terms of Rule 19(2)(b) of the SCRR, the Offer is being made for at least 25% of the post-Offer paid-up equity share capital of our Company. 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 allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders in consultation with the BRLM may 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 reserved for domestic Mutual Funds subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If 50% of the Offer cannot be Allotted to QIBs, all the application monies will be refunded/ unblocked forthwith. 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 from them at or above the Offer Price and 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. All Bidders other than Anchor Investors are mandatorily required to participate in the Offer through ASBA process, providing the details of their respective bank accounts, which will be blocked by SCSBs. Anchor Investors are not permitted to participate in the Offer through ASBA process.
26. 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 and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange, in accordance with applicable laws. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.

27. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall ensure that transactions in the Equity Shares by our Promoters and members of our Promoter Group, if any, during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
31. Oversubscription to the extent of 10% of the Offer to the public can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.
32. None of the Equity Shares held by our Promoters or members of our Promoter Group are pledged or otherwise encumbered.
33. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.

## OBJECTS OF THE OFFER

The Offer consists of a Fresh Issue of [●] Equity Shares by our Company aggregating up to ₹ 2,250.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 480.00 million by the Selling Shareholders.

### The Proceeds from the Offer for Sale

The proceeds from the Offer for Sale (net of Offer related expenses of the Selling Shareholders) shall be received by the Selling Shareholders and our Company shall not receive any proceeds from the Offer for Sale.

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized below:

| Particulars   | Estimated Amount* (₹ million) |
|---|-------------------------------|
| Gross proceeds from the Fresh Issue                       | 2,250.00                      |
| Less: Offer-related expenses to be borne by our Company*# | [●]                           |
| <b>Net Proceeds*</b>                                      | <b>[●]</b>                    |

*\*Will be incorporated after finalization of the Offer Price and updated in the Prospectus at the time of filing with the RoC.*

*#Upon the listing and trading of the Equity Shares on the Stock Exchanges, all Offer related expenses shall be shared in the proportion of the proceeds received for the Fresh Issue and respective Equity Shares being offered by the Selling Shareholders upon the successful completion of the Offer in accordance with applicable law.*

### Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Purchase of passenger transportation vehicles;
2. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;
3. Investment in our Subsidiary, Chartered Bus Private Limited, for repayment/pre-payment of certain borrowings availed by our Subsidiary
4. Purchase of IT software and equipment's; and
5. General corporate purposes.

(Collectively referred to as the “Objects”).

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Fresh Issue and for which the loans proposed to be pre-paid and/or repaid from the Net Proceeds were utilised. In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

### Requirements of Funds

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

| Particulars  | Amount<br>(₹ in million) |
|--|--------------------------|
| Purchase of passenger transportation vehicles  | 889.75                   |
| Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;  | 393.00                   |
| Investment in our Subsidiary, Chartered Bus Private Limited, for repayment/pre-payment of certain borrowings availed by our Subsidiary | 324.00                   |
| Purchase of IT software and equipment's  | 36.36                    |
| General corporate purposes*  | [●]                      |

*\* The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

## Means of Finance

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds or through internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals.

## Schedule for Utilisation and Deployment of the Net Proceeds

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

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

| Particulars  | (₹ in million)                                 |  |  |  |
|--|--|--|--|--|
|  | Amount proposed to be funded from Net Proceeds | Estimated utilization of Net Proceeds in Fiscal 2019 | Estimated utilization of Net Proceeds in Fiscal 2020 | Estimated utilization of Net Proceeds in Fiscal 2021 |
| Purchase of passenger transportation vehicles  | 889.75   | 308.60   | 371.13   | 210.02   |
| Repayment/pre-payment, in full or part, of certain borrowings availed by our Company   | 393.00   | 393.00   | -  | -  |
| Investment in our Subsidiary, Chartered Bus Private Limited, for repayment/pre-payment of certain borrowings availed by our Subsidiary | 324.00   | 24.00  | 300.00   | -  |
| Purchase of IT hardware and equipment's  | 36.36  | 24.27  | 12.09  | -  |
| General corporate purposes*  | [●]  | [●]  |  | [●]  |
| <b>Total</b>   | [●]  | [●]  |  | [●]  |

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

The Net Proceeds will first be utilized for the Objects as set out above. In case of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, our management may explore alternate options, including utilisation of our internal accruals or further debt financing from existing or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The requirement and deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions. The requirement and deployment of funds described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange 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 law.

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 applicable law. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with applicable law.

## Details of Utilisation of Net Proceeds

## 1. Purchase of passenger transportation vehicles

We are engaged in the business of providing passenger mobility solutions across various modes of surface transport in India with a fleet of over 750 passenger vehicles. We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations. (Source: CRISIL Report) With a rise in interest from passengers, the size of orders being placed by transport operators has also seen a rise in the last 5 years. Consequently, the demand for buses for transport operations has also seen a rise. We believe that we have the capability to scale our intra-city operations further and be the preferred bus service provider for more state transport corporations. As on August 31, 2018, we had a fleet of over 700 operational buses. Our buses engaged in intra-city operations covered over 34 million kilometres in Fiscal 2018 and our buses engaged in inter-city operations serviced over 2.44 million passengers in Fiscal 2018. We intend to continue to strengthen the density of our network by adding more buses in our existing key markets and selectively obtaining more contracts, to enhance the breadth of our service in a sustainable and profitable manner. In the inter-city segment, as on August 31, 2018, we operated across a total of 26 cities across Gujarat, Madhya Pradesh, Rajasthan and Maharashtra through over 200 schedules. We intend to prioritise our growth in high density metropolitan and tier-II cities in growing commuter regions of India by providing high quality passenger mobility solutions and operating our buses in a safe and responsible manner. We intend on continuing to increase the size of our passenger mobility vehicles in the coming years. With a view to expanding our existing fleet of passenger mobility vehicles, we intend to utilise ₹ 889.75 million from the Net Proceeds to purchase 89 new passenger mobility vehicles of different models.

The following table depicts the break-down of the estimated expense relating to the purchase of the new passenger transportation vehicles:

| Sr. No. | Type of vehicle  | Quantity | Cost per vehicle (₹ in million) | Tax (₹ in million) | Total Cost per vehicle (₹ in million) | Insurance cost per vehicle <sup>(iv)</sup> (₹ in million) | Total amount (₹ in million) |
|---------|--|----------|---------------------------------|--------------------|---------------------------------------|---|-----------------------------|
| 1.      | Volvo 9408 4x2 B8R (BS IV) 12 mts Intercity Coach <sup>(i)</sup>     | 37       | 8.51                            | 2.38               | 10.89                                 | 0.10  | 406.80                      |
| 2.      | Volvo 9411 6x2 B11R (BS IV) 14.5 mts Intercity Coach <sup>(ii)</sup> | 23       | 11.45                           | 3.21               | 14.65                                 | 0.13  | 340.05                      |
| 3.      | Tata Magna 44+D on LPO 1618/62BSIV <sup>(iii)</sup>                  | 29       | 3.79                            | 1.06               | 4.85                                  | 0.08  | 142.90                      |

i. As per quotation dated September 18, 2018 issued by Volvo Group India Private Limited;

ii. As per quotation dated September 18, 2018 issued by Volvo Group India Private Limited;

iii. As per quotation dated September 18, 2018 issued by Tata Motors Limited; and

iv. As per quotation dated September 18, 2018 issued by Jignesh Shah, Insurance Consultant.

## 2. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financing arrangements with banks which include borrowings in the form of term loans, working capital facilities and other secured loan. As on August 31, 2018, the total amounts outstanding from the loan agreements entered into by our Company was ₹ 1,157.42 million on a consolidated basis. For further details of these financing arrangements including the terms and conditions, see “Financial Indebtedness” on page 350 this Draft Red Herring Prospectus.

Our Company intends to utilize the Net Proceeds aggregating up to ₹ 393.00 million towards full or part repayment and/or prepayment of the following borrowings availed by our Company. The selection of borrowings proposed to be repaid/prepaid from our facilities provided is based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay the borrowings and time taken to fulfill, or obtain waivers for fulfillment of, such requirements, (ii) receipt of consents for pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment premium/penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of pre-payment penalty/premium, if any, shall be made out of the Net Proceeds of the Offer. In the event that the Net Proceeds of the Offer are insufficient for the said payment of prepayment penalty, such payment shall be made from the internal accruals of our Company.

The following table provides details of outstanding commercial vehicle loans availed by our Company as on August 31, 2018 out of which all the facilities may be prepaid or repaid, in full or in part, from the Net Proceeds:

| Sr. No.                         | Nature of borrowing/<br>Lender | Amount (₹ in million) |                                   | Rate of Interest per annum | Purpose                 | Repayment schedule | Prepayment sanctioned clause (if any)  |
|---------------------------------|--------------------------------|-----------------------|-----------------------------------|----------------------------|-------------------------|--------------------|--|
|                                 |                                | Sanctioned            | Outstanding as on August 31, 2018 |                            |                         |                    |  |
| <b>Commercial Vehicle Loans</b> |                                |                       |                                   |                            |                         |                    |  |
| 1.                              | Axis Bank Limited              | 207.84                | 141.37                            | 8.40% - 10.26%             | Commercial vehicle loan | 36 to 59 months    | At the rate of 10% of the outstanding loan amount  |
| 2.                              | HDFC Bank Limited              | 551.56                | 254.93                            | 8.40% - 10.64%             | Commercial vehicle loan | 36 to 60 months    | Nil  |
| 3.                              | Kotak Bank Limited             | 22.97                 | 19.15                             | 8.38% - 10.01%             | Commercial vehicle loan | 36 to 48 months    | Nil  |
| 4.                              | ICICI Bank Limited             | 109.34                | 32.80                             | 8.25% - 10.51%             | Commercial vehicle loan | 36 to 60 months    | Prepayment penalty levied at 5% on principal outstanding plus applicable taxes   |
| 5.                              | Tata Motor Finance Limited     | 4.28                  | 4.12                              | 7.74%                      | Commercial vehicle loan | 47 months          | Prepayment charges shall be levied at 4.15% of the future outstanding principal amount or ₹ 5,150, whichever is higher. If the remaining term of the loan is 3 months or less, 4.15% of the future outstanding principal amount. |
| <b>TOTAL</b>                    |                                | <b>452.37</b>         |                                   |                            |                         |                    |  |

Pursuant to a certificate dated September 25, 2018, Mukesh M. Shah & Co., Chartered Accountants, have certified that the above facilities have been utilized for the purposes for which they were sanctioned.

Given the nature of these borrowings and the terms of prepayment or repayment (earlier or scheduled), the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

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 deployment specified above, our Company shall deploy the Net Proceeds

in the subsequent fiscals towards the aforementioned objects. We believe that such repayment/pre-payment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a low debt equity ratio and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business development opportunities.

In addition to the above, our Company may, from time to time, enter into further financing arrangements and draw down funds thereunder, or draw down further funds under the existing financing arrangements. In such cases or in case any of the above loans are repaid or further drawn-down, our Company may utilize this component of the Net Proceeds towards repayment of such additional indebtedness. The Net Proceeds for the above stated object may also be utilised for the repayment and/or pre-payment of any such further borrowings and refinancing.

### **3. Investment in our Subsidiary Chartered Bus Private Limited, for pre-payment of certain borrowings availed by our Subsidiary**

We intend to utilise a part of the Net Proceeds amounting to ₹ 324.00 million to make an investment in our Subsidiary, Chartered Bus Private Limited. Chartered Bus Private Limited intends to utilise this investment for pre-payment of the borrowings (as indicated below) availed of by it. As a result of the proposed investment and the subsequent repayment of loan by Chartered Bus Private Limited, our outstanding indebtedness on a consolidated basis will be reduced.

The following table sets forth the details of the borrowings availed by Chartered Bus Private Limited which are currently proposed to be pre-paid from the investment proposed to be made by our Company in Chartered Bus Private Limited by utilising the Net Proceeds:

| S. No.       | Lender                      | Amount (₹ million) |                                   | Rate of Interest per annum | Purpose                 | Repayment schedule/<br>Tenure | Prepayment clause (if any)  | sanctioned |
|--------------|-----------------------------|--------------------|-----------------------------------|----------------------------|-------------------------|-------------------------------|---|------------|
|              |                             | Sanctioned         | Outstanding as on August 31, 2018 |                            |                         |                               |   |            |
| 1.           | Yes Bank Limited            | 247.86             | 246.26                            | 8.85%- 8.90 %              | Commercial vehicle loan | 58 months                     | The Company shall be entitled to prepay in part or full the loan amount any time after the payment of first 6 monthly installments by giving a written notice of 30 days to the bank. |            |
| 2.           | Tata Motors Finance Limited | 44.33              | 43.36                             | 7.95%                      | Commercial vehicle loan | 59 months                     | The Company may, make prepayment of either whole or part of the loan amount by giving 7 working days' notice in writing to the bank.  |            |
| 3.           | ICICI Bank Limited          | 67.67              | 67.22                             | 8%- 8.49%                  | Commercial vehicle loan | 60 months                     | Nil   |            |
| <b>TOTAL</b> |                             |                    | <b>356.84</b>                     |                            |                         |                               |   |            |

Pursuant to a certificate dated September 25, 2018, Mukesh M Shah & Co., Chartered Accountants, have certified that the above facilities have been utilized for the purposes for which they were sanctioned.

Given the nature of these borrowings and the terms of prepayment or repayment (earlier or scheduled), the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder, or draw down further funds under the existing financing arrangements. In such cases or in case any of the above loans are repaid or further drawn-down, our Company may utilize this component of the Net Proceeds towards investment in subsidiary for repayment of such additional indebtedness. The Net Proceeds for the above stated object may also be utilised for the repayment and/or pre-payment of any such further borrowings and refinancing.

To the extent the Net Proceeds are utilized to repay / pre-pay any of the loans availed by Chartered Bus Private Limited, we shall be deploying the Net Proceeds in Chartered Bus Private Limited in the form of debt or equity in such manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus and details of which shall be provided in the Red Herring Prospectus.

#### 4. Purchase of IT software and equipment's

We believe that our information technology systems play a significant role in enabling us to offer cost-efficient and customized solutions to our customers. It not only enhances our operational efficiency and customer service quality, but also reduces our operating costs, making it more competitive in the passenger mobility services. We believe that strengthening our technological capabilities will play a key role in managing our operations and also help in enhancing our customer service levels. We have made consistent investments in technology over the past several years. As a part of our strategy, we intend to continue to develop our technology systems to increase asset productivity, lower costs of operations, improve operating efficiencies, provide scalability and visibility for our customer and strengthen our competitive position. We are planning to enhance the usage of technology for our operations to have control over operations, improve the safety of our passengers and reduce the cost. Our Company proposes to utilise an aggregate amount of ₹ 36.36 million from the Net Proceeds for purchase of following IT software and equipment's. The following table depicts the break-down of the estimated expenses related to the proposed purchase of the IT software and equipment's:

| Sr. No.      | Particulars   | Amount (₹ in million) |
|--------------|---|-----------------------|
| 1.           | SAP Business One on SQL   | 6.48                  |
| 2.           | Vehicle health monitoring system and fuel monitoring system   | 11.68                 |
| 3.           | MB-1000 Driver Training Simulator   | 12.12                 |
| 4.           | Bus Ticketing Management : HO Server Platform : ASP Dot Net / C# Database<br>: SQL Server Hosting Model : On Premise or Cloud | 6.08                  |
| <b>Total</b> |   | <b>36.36</b>          |

#### SAP Business One (SQL):

Currently our Company is using Tally ERP for financial process but with few limitations. Further, we intend to update our financial ERP system to further strengthen reporting and control over our business operations. SAP Business One provides real time embedded solution with many features and inbuilt analytics and management information system. This will also help our Company to implement an effective, branded, reliable and proven enterprise management solution to integrate major business processes, increased utilization of resources and productivity, accurate material requirement planning and optimized operations, grow faster using the robust system, mobility solutions with focus on data analysis, gain better visibility and control on outstanding and estimation of profitability and reach to distributor / dealer network from single web based system integrated with an ERP. Our Company proposes to utilise an aggregate amount of ₹ 6.48 million from the Net Proceeds for purchase of SAP Business One. The break-down of such estimated costs are set forth below:

| Sr. No. | License Breakup   | User Licenses | Total price (In ₹) |
|---------|---|---------------|--------------------|
| •       | SAP Business One-Professional Licenses  | 20            | 2,365,600          |
| •       | SAP Business One-Limited Licenses Breakup: Mix of CRM, Financial and Logistics Licenses   | 25            | 1,533,275          |
|         | <b>Sub Total</b>  |               | <b>3,898,875</b>   |
| •       | Annual maintenance charges on license   |               | 565,337            |
|         | <b>Sub Total</b>  |               | <b>565,337</b>     |
| •       | Implementation Cost - Single Company Implementation & Customization and user training along with 2 month post Go-live support (40 Working Days) |               | 950,000            |
| •       | Customized Add-On for Automated Service Billing, email and SMS  |               | 75,000             |
|         | <b>Sub – total</b>  |               | <b>1,025,000</b>   |
|         | <b>Tax</b>  |               | <b>988,058</b>     |
|         | <b>Total Cost</b>   |               | <b>6,477,270</b>   |

We have received a quotation dated September 21, 2018 from Brainscape Solutions Private Limited for SAP Business One on SQL which is valid as on the date of this Draft Red Herring Prospectus.

#### Vehicle health monitoring system and fuel monitoring system

Advance Driver Assistance System with integration Fleet Management System (FMS) will help our Company to reduce on cost of accidents and analyze driver behavior on many parameters. Also FMS will help to analyze vehicles and malfunction alert. FMS will also help us with vehicle tracking and other integrated solutions like fuel, camera etc. Our Company proposes to utilise an aggregate amount of ₹ 11.68 million from the Net Proceeds for purchase of vehicle health monitoring system and fuel monitoring system. The break-down of such estimated costs are set forth below:

| Sr. No. |   | Cost (In ₹) | Quantity | Amount (₹ in million) | Tax (₹ in million) | Total price(₹ in million) |
|---------|---|-------------|----------|-----------------------|--------------------|---------------------------|
| i.      | Ingenious sale – Vehicle Health Monitoring System | 10,000      | 600      | 6.00                  | 1.08               | 7.08                      |
| ii.     | Ultrasonic Fuel Sensor – Fuel Monitoring System   | 6,000       | 600      | 3.60                  | 0.65               | 4.25                      |
| iii.    | Installation charges                              | 500         | 600      | 0.30                  | 0.05               | 0.35                      |
|         | <b>Total</b>                                      |             |          |                       |                    | <b>11.68</b>              |

We have received a quotation dated September 21, 2018 from Intangles Labs Private Limited for vehicle health monitoring system and fuel monitoring system which is valid as on the date of this Draft Red Herring Prospectus.

#### Driver Simulation Lab:

We intend to install a driver simulation system at our Registered Office where we will train our drivers. Driver simulation system is computer based driver cabin system where real time scenarios are created and drivers are trained on basis of different conditions like inter-city, intra-city, school and staff buses and rental cars. Our Company proposes to utilise an aggregate amount of ₹ 12.12 million from the Net Proceeds for purchase of driver simulation system. The break-down of such estimated costs are set forth below:

| Sr. No. | Particulars  | Unit Price   |
|---------|--|--------------|
| i.      | <b>System Configuration: MB-1000 Driver Training Simulator Quantity – 1 (In USD)</b> | 168,750.00   |
|         | <b>Total Cost (₹ in million)</b>   | <b>12.12</b> |

\*The amount has been converted into Indian Rupees at the exchange rate of ₹ 71.85 = 1 USD (Source: www.fbil.org.in) prevailing on September 21, 2018 for the purpose of this Draft Red Herring Prospectus. There may

*be a fluctuation in the exchange rate between the Indian Rupee and US Dollar and accordingly such transactions may affect the final funding requirements and deployment of Net Proceeds.*

We have received a quotation dated July 30, 2018 from FAAC Incorporated for driver simulation system which is valid as on the date of this Draft Red Herring Prospectus.

### **Bus ticketing platform**

For control over our customer database and customer service, we are planning to have a web based solution (on ASP Dot Net framework, C# based development & SQL Database) entailing intra -city and intercity bus management, car fleet management, human resource management, ticketing portal for buses and maintenance with close inventory control. The proposed solution will be accessible on tablet, mobile and web devices for many application access from anywhere. Apart from the responsive portal, additional mobile apps will be developed and launched to support bus ticketing, rental car booking and relevant inventory tracking information. Our Company proposes to utilise an aggregate amount of ₹ 6.08 million from the Net Proceeds for purchase of Bus Ticketing Management. The break-down of such estimated costs are set forth below:

| <b>Sr. No.</b> | <b>Particulars</b>  | <b>Total price (₹ in million)</b> |
|----------------|---|-----------------------------------|
| i.             | Bus Ticketing Management : HO Server<br>Platform : ASP Dot Net / C#<br>Database : SQL Server<br>Hosting Model : On Premise or Cloud | 5.15                              |
| ii.            | Tax   | 0.93                              |
|                | <b>Total</b>  | <b>6.08</b>                       |

We have received a quotation dated September 21, 2018 from Brainscape Solutions Private Limited which is valid as on the date of this Draft Red Herring Prospectus.

Further, we have not entered into any definitive agreements with any of the abovementioned vendors and there can be no assurance that the same vendors would be engaged to eventually supply the above mentioned items at the same costs. The abovementioned quantities are based on management estimates. We do not intend to purchase any second-hand items.

### **5. General Corporate Purposes**

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations, including but not restricted towards funding growth opportunities, advertising and sales promotion activities across various platforms, increasing brand recognition, working capital requirements, part or full debt repayment and/or pre-payment, meeting expenses incurred in the ordinary course of business, meeting exigencies which our Company may face in the ordinary course of business and towards repayment and pre-payment penalty on loans as may be applicable. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head “General Corporate Purposes” and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our existing identifiable internal accruals or seeking debt from future lenders, subject to

compliance with applicable laws. Our management expects that such alternate arrangements would be available to fund any such shortfall.

## Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer-related expenses include fees payable to the BRLM and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Upon the listing and trading of the Equity Shares on the Stock Exchanges, all Offer-related expenses shall be shared in the proportion of the proceeds received for the Fresh Issue and respective Equity Shares being offered by the Selling Shareholders upon the successful completion of the Offer in accordance with applicable law. Further, all expenses incurred by the Company on behalf of the respective Selling Shareholder, in relation to appointment of any intermediary, shall be pre-authorized by the respective Selling Shareholders and shall be shared amongst the Company and the respective Selling Shareholder in the proportion mutually agreed between our Company and the respective Selling Shareholder and in accordance with applicable law, upon successful completion of the Offer.

However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer-related expenses will be borne by our Company.

The estimated Offer expenses are as under:

| Activity   | Estimated expenses*(₹ in million) | As a % of the total estimated Offer expenses <sup>(1)</sup> | As a % of the total Offer Size <sup>(1)</sup> |
|--|-----------------------------------|---|---|
| Fees payable to BRLM and underwriting commission, brokerage and selling commission   | [●]                               | [●]   | [●]   |
| Commission/processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate or procured by Non-Syndicate Registered Brokers and submitted to SCSBs <sup>(1), (2) and (3)</sup> | [●]                               | [●]   | [●]   |
| Brokerage and selling commission for Non-Syndicate Registered Brokers  | [●]                               | [●]   | [●]   |
| Advertising and marketing expenses   | [●]                               | [●]   | [●]   |
| Fees to the Registrar to the Offer   | [●]                               | [●]   | [●]   |
| Other advisors to the Offer (including lawyers, auditors, etc.)  | [●]                               | [●]   | [●]   |
| Listing fees and other regulatory expenses   | [●]                               | [●]   | [●]   |
| Miscellaneous  | [●]                               | [●]   | [●]   |
| <b>Total estimated Offer expenses</b>  | [●]                               | [●]   | [●]   |

\*To be determined on finalization of the Offer Price and updated in the Prospectus prior to filing with the RoC.

(1) SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable tax) per ASBA Form, for processing the ASBA procured by Designated Intermediaries (other than the SCSBs themselves) from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs.

(2) Registered Brokers, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable tax) per valid ASBA Form which are directly procured by them from Retail Individual Bidders and Non-Institutional Bidders, uploaded on the electronic bidding system of the Stock Exchanges and submitted to the SCSBs for processing.

(3) Selling commission payable to Members of the Syndicate, SCSBs, RTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders would be as follows:

|   |                                      |
|---|--------------------------------------|
| <i>Portion for Retail Individual Bidders</i>  | <i>[●]/% of the Amount Allotted*</i> |
| <i>Portion for Non-Institutional Bidders:</i> | <i>[●]/% of the Amount Allotted*</i> |

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

*Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.*

*The commissions and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company or in accordance with the agreements / engagement letters entered into between the Company and the respective intermediaries.*

*For the avoidance of doubt, all of the above shall be subject to applicable GST.*

### **Appraisal and Bridge Loans**

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.

### **Interim Use of Net Proceeds**

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in securities of any other listed company or for any investment in the equity markets.

### **Appraising Entity**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

### **Monitoring Agency**

Our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds of the Offer prior to the filing of the Red Herring Prospectus. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to us in terms of Regulation 16(2) of the SEBI ICDR Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. 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. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. The 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.

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. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is located. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price and in such manner as may be prescribed by SEBI in Chapter VI-A of the SEBI ICDR Regulations.

### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, our Key Management Personnel or our Group Companies. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Management Personnel or our Group Companies.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also see “Risk Factors”, “Our Business” and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” pages 19, 144, 203 and 310, respectively, of this Draft Red Herring Prospectus, to have an informed view before making an investment decision.

### Qualitative Factors

We believe the following are our strengths which form the basis for the Offer Price:

- De-risked business model;
- High visibility of revenue;
- Large and established size and scale of operations;
- Industry understanding and proven track record in the passenger mobility solution business;
- Focus on operational cost efficiencies;
- Strong track record of robust financial performance;
- Experienced and dedicated management team and workforce.

For further details, see “Our Business – Strengths” on page 144 of this Draft Red Herring Prospectus.

### Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements of our Company. For details, see “Financial Statements” on page 203 of this Draft Red Herring Prospectus.

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

#### 1. Basic and Diluted Earnings per Share (“EPS”), as adjusted for changes in capital

As per our Restated Standalone Financial Statements:

| Year/Period ended       | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------|------------------|--------------------|--------|
| March 31, 2018          | 4.43             | 4.43               | 3      |
| March 31, 2017          | 5.35             | 5.35               | 2      |
| March 31, 2016          | 3.70             | 3.70               | 1      |
| <b>Weighted Average</b> | <b>4.61</b>      | <b>4.61</b>        |        |

As per our Restated Consolidated Financial Statements:

| Year/Period ended       | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------|------------------|--------------------|--------|
| March 31, 2018          | 4.51             | 4.51               | 3      |
| March 31, 2017          | 5.09             | 5.09               | 2      |
| March 31, 2016          | 3.86             | 3.86               | 1      |
| <b>Weighted Average</b> | <b>4.60</b>      | <b>4.60</b>        |        |

#### Notes:

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

- ii. *Basic Earnings per share = Restated Net profit after tax (loss after tax) attributable to equity shareholders / Weighted average number of equity shares outstanding during the period/year. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.*
- iii. *Diluted Earnings per share = Restated Net profit after tax (loss after tax) attributable to equity shareholders / Weighted average number of dilutive equity shares outstanding during the period/year.*
- iv. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights*
- v. *The EPS calculations have been done in accordance with Ind AS 33 issued by MCA, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

**2. Price Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] to ₹ [●] per Equity Share of the face value of ₹ 10 each.**

| Particulars   | As P/E at the lower end of the Price Band (no. of times) as per our Restated Standalone Financial Statements | As P/E at the higher end of the Price Band (no. of times) as per our Restated Consolidated Financial Statements |
|---|--|---|
| P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Floor Price   | [●]  | [●]   |
| P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Floor Price | [●]  | [●]   |
| P/E ratio based on Basic EPS for the financial year ended March 31, 2018 at the Cap Price     | [●]  | [●]   |
| P/E ratio based on Diluted EPS for the financial year ended March 31, 2018 at the Cap Price   | [●]  | [●]   |

**Return on Net worth (“RoNW”)**

Return on net worth as per our Restated Standalone Financial Statements:

| Year/Period ended       | RoNW (%)      | Weight |
|-------------------------|---------------|--------|
| March 31, 2018          | 20.92%        | 3      |
| March 31, 2017          | 33.66%        | 2      |
| March 31, 2016          | 35.70%        | 1      |
| <b>Weighted Average</b> | <b>27.63%</b> |        |

Return on net worth as per our Restated Consolidated Financial Statements:

| Year/Period ended       | RoNW (%)      | Weight |
|-------------------------|---------------|--------|
| March 31, 2018          | 21.33%        | 3      |
| March 31, 2017          | 32.22%        | 2      |
| March 31, 2016          | 36.65%        | 1      |
| <b>Weighted Average</b> | <b>27.51%</b> |        |

\* Net Profit after tax, as restated / Net worth, as restated, at the end of the period/year

**Notes:**

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

- ii. *Return on Net Worth (%) = Restated Profit after tax/ Restated Net worth as at period/ year end*
- iii. *Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company) as at the year end. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).*

**3. Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the fiscal year ended March 31, 2018**

**a. For Basic EPS**

| Particulars        | Standalone (%) | Consolidated (%) |
|--------------------|----------------|------------------|
| At the Floor Price | ●              | ●                |
| At the Cap Price   | ●              | ●                |

**b. For Diluted EPS**

| Particulars        | Standalone (%) | Consolidated (%) |
|--------------------|----------------|------------------|
| At the Floor Price | ●              | ●                |
| At the Cap Price   | ●              | ●                |

**4. Net Asset Value (NAV) per Equity Share**

| NAV*                 | Standalone (₹) | Consolidated (₹) |
|----------------------|----------------|------------------|
| As on March 31, 2018 | 21.10          | 21.09            |
| After the Offer      |                |                  |
| - At the Floor Price | ●              | ●                |
| - At the Cap Price   | ●              | ●                |
| Offer Price          | ●              | ●                |

\* After adjusting for the bonus issue in Fiscal 2019

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net asset value per share=Restated Net worth as at period/ year end / Total number of equity shares as at period/ year end. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off)

**5. The average cost of acquisition per share by our Promoters, calculated by taking the average of the amounts paid by our Promoters to acquire Equity Shares, is as given below.**

| Name of Promoter    | Average cost of acquisition per Equity Share* (₹) |
|---------------------|---|
| Pankaj Kumar Gandhi | ₹ 0.93  |
| Alka Pankaj Gandhi  | ₹ 3.26  |

\* As certified by Mukesh M. Shah & Co., Chartered Accountants pursuant to certificate dated September 25, 2018.

**6. Comparison with Listed Industry Peers**

As on the date of this Draft Red Herring Prospectus, there are no listed companies in India which are engaged in the same line of business and comparable to our scale of operations, hence, comparison with industry peers are not applicable.

Notes

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

Bidders should read the above mentioned information along with “*Risk Factors*”, “*Our Business*” and “*Financial Statements*” on pages 19, 144 and 203 respectively, of this Draft Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

Date: 25<sup>th</sup> September, 2018

To,

**The Board of Directors**  
**Chartered Speed Limited**  
Sanathal Circle,  
Sarkhej-Bavla Highway  
Ahmedabad -382210,  
Gujarat, India.

Dear Sir(s):

**Sub: Statement of possible special direct tax benefits available to Chartered Speed Limited (“the Company”) and its shareholders**

We refer to the proposed initial public offer of equity shares of the Company (the “Offer”) and enclose the statement showing the possible direct tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961, and other applicable tax laws 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 statute. Hence, the ability of the Company or its shareholders to derive the stated tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment. Neither are we suggesting nor advising the investor to invest money based on this statement.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the double taxation avoidance agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile and in view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the Offer.

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

- i) the Company has availed of any of these benefits in the past;
- ii) the Company has fulfilled the requisite conditions in the past to obtain these benefits;
- iii) the Company or its shareholders will continue to obtain these benefits in future;
- iv) the revenue authorities/courts will concur with the view expressed herein.

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

We also consent to the references to us as “Experts” under section 26 read with section 2(38) of the Companies Act to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this statement of tax benefits in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Offer.

Yours sincerely,  
**For Mukesh M. Shah & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No.: 106625W

Karnik K. Shah  
Partner  
Membership No: 129675  
Place: Ahmedabad  
Date: 25<sup>th</sup> September, 2018

**Enclosed as above**

## Annexure – A

### ***The statement of possible special Income-tax benefits available to Chartered Speed Limited (the “Company”) and its shareholders***

The information provided below sets out the possible direct tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the equity shares of the Company (“Equity Shares”), under the current tax laws presently in force in India.

#### **A. Special Income-tax benefits to the Company**

There are no special tax benefits available to the Company. The general tax benefits those are available to all registered companies have not been enumerated here. Those statutory provisions would be applicable as per the prevailing laws in the respective circumstances.

#### **B. Special tax benefits available to Shareholders**

There are no special tax benefits available to any of the shareholders of the Company. The general tax benefits those are available to all the persons above have not been enumerated here. Those statutory provisions would be applicable as per the prevailing laws in the respective circumstances.

#### **Notes:**

1. All the above benefits are as per the current tax law and any change or amendment in the laws/regulation, which when implemented would impact the same.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
4. The above statement covers only above mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

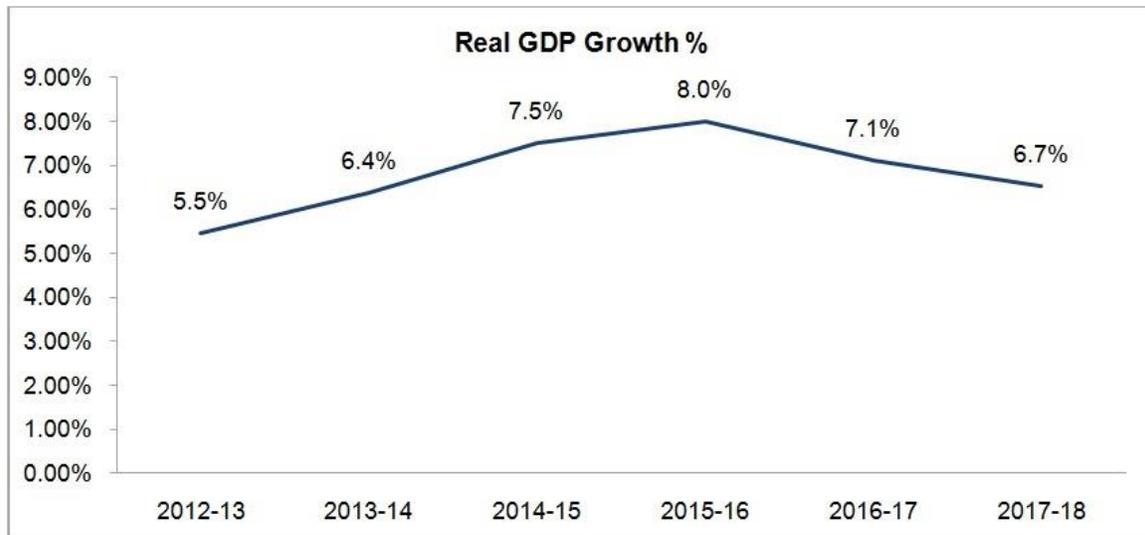
*Unless noted otherwise, the information in this section is obtained or extracted from “Passenger Transport Industry in India” released in August, 2018 prepared and issued by CRISIL Limited (the “CRISIL Report”) on our request. Neither CRISIL nor any other person connected with the Issue has independently 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.*

### INDIAN MACROECONOMIC SCENARIO

#### GDP growth

Consumption and investment are the major drivers of any economy. In recent years, India has grown primarily on the engine of consumption; investment has been decelerating. GDP (real) grew at compounded annual growth rate (CAGR) of 6.83% between Fiscals 2013 and 2018. It slowed between Fiscals 2012 and 2014, mainly because of sluggish income growth, high interest rates, and persistently rising inflation; slowdown in industrial output was also a contributing factor. Post Fiscal 2014, improving industrial activity, lower crude oil prices, and supportive policies led to a recovery. However, demonetisation and GST (goods and services tax) implementation put the brakes on GDP growth once again in Fiscal 2017, along with dwindling private investment and slower global growth.

#### Real GDP growth



Source: MoSPI, CRISIL Research

GDP growth has shown a sharp upturn in Q4 Fiscal 2018. We expect the momentum to continue and lift growth to

7.5% in Fiscal 2019 from 6.7% in Fiscal 2018, though growth would still be lower than the long-term trend of 7.6%. Also, growth may be constrained if oil prices prevail at current levels.

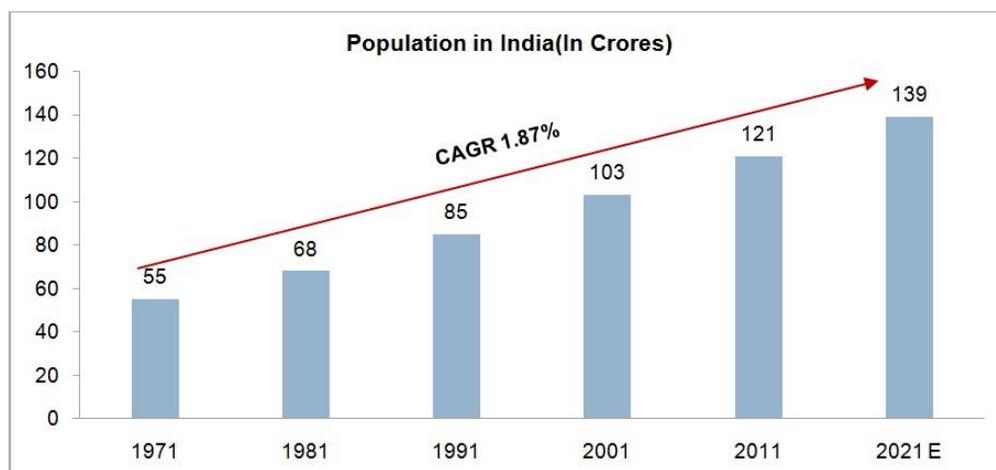
Growth revival in Fiscal 2019 would be consumption-led, with some support from investments. A normal monsoon in 2018, benign interest rates, return of pent-up demand, and implementation of house rent allowance (HRA) revisions at the state government level would support growth, together with the government’s thrust on rural and infrastructure sectors. Quick resolution of GST-related glitches and faster trade growth, aided by cyclical recovery in the global economy should help increase India’s exports however, global trade tariffs remain a key monitorable. Recapitalisation of public sector banks will allow funding support from banks and facilitate growth. Also, government’s focus on infrastructure development has resulted in highest-ever road construction awarding rates and faster clearances of projects, which will help growth in Fiscal 2019.

### Population growth in India

India’s population has grown from 1.05 billion in 2000 to an estimated 1.34 billion in 2017. India is the second most populous country in the world. Higher population creates high demand for goods and services which boosts nation’s development. Today, India is one of most attractive country for investments, because of its market size with its own dynamics. However, decadal population growth rate (period of 10 years) has declined from 19.87% to 14.99% from 1971 to 2011, and is estimated to reduce further to 12.78% in 2021. India’s fertility rate is also reducing and is expected to reach 2.1 (replacement level) by 2020. (Replacement-level fertility is the level of fertility at which a population exactly replaces itself from one generation to the next.)

The service sector has a direct relation with population growth -- as population grows and standard of living rises, people need more and better-quality services in healthcare, transportation, retail, financing, IT, etc.

### Population growth in India

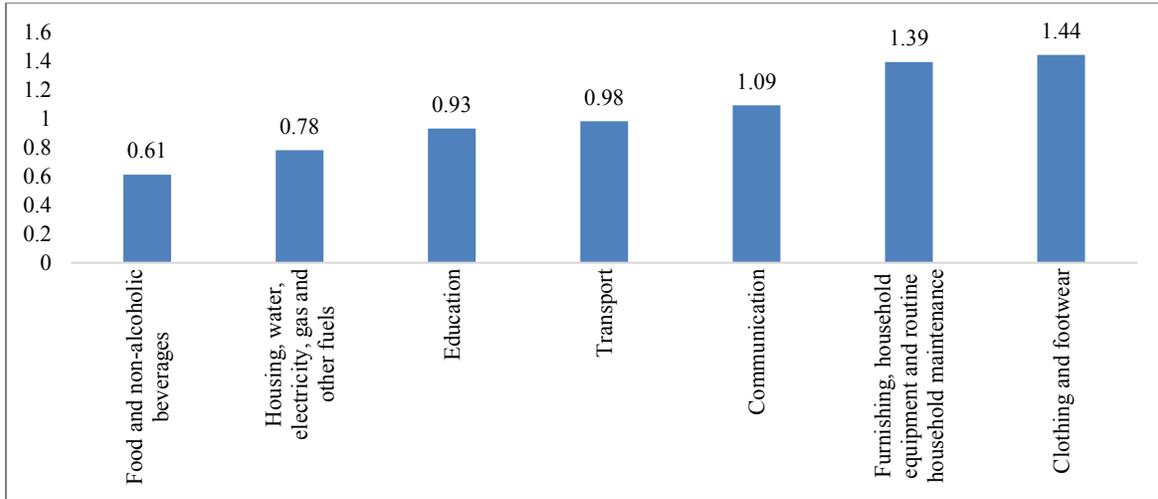


Source: India Census, CRISIL Research  
E: Estimated

### Private final consumption expenditure (PFCE)

PFCE is defined as the expenditure incurred on final consumption of goods and services by resident households and non-profit institutions serving households (NPISH). It is used as an indicator for end consumer’s propensity to spend on goods and services, which drives consumption demand in the economy. Higher PFCE growth is indicative of higher spending power of the consumer and that the consumer is confident about its income prospects in the future.

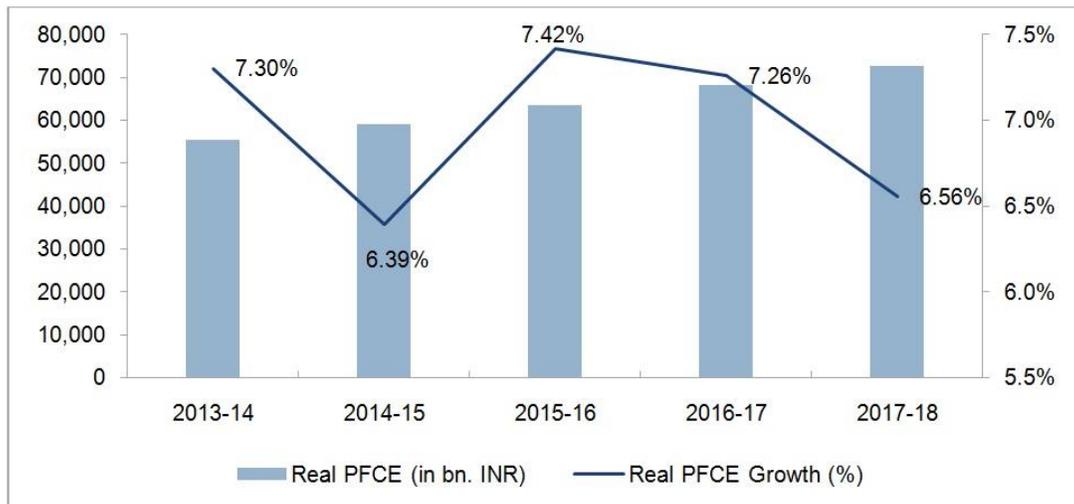
### Elasticity with respect to PFCE



Source: Economic Survey FY2018, CRISIL Research

As per the Economic Survey FY2018 conducted by Ministry of Finance, elasticity of transport with respect to PFCE is 0.98 – this means that as PFCE increases by 1%, transport sector grows 0.98% and vice-a-versa. Transport sector has moderate impact of change in consumption expenditure compared other sectors. For example, food and non-alcoholic beverages is an essential need hence the expenditure on food tends to vary to a much less extent compared to luxury items which tend to have high elasticity. The Transport sector caters to different types of needs which includes necessary and inessential services. The need to travel to office, school falls under necessities whereas tourism falls under inessential services.

### PFCE Growth in India



Source: MoSPI, CRISIL Research

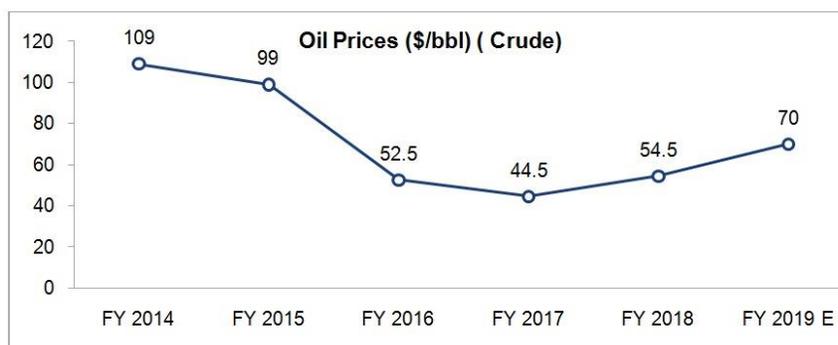
Between years 2015 to 2017, PFCE growth had accelerated with a sharp fall in inflation due to falling commodity prices, primarily crude oil. Fall in inflation left more money in the hands of the consumer which boosted consumer spending. While the favourable base effect of falling commodity prices has waned, there have been proactive steps taken by the government and the RBI to curb inflation. Going forward we expect consumer expenditure to remain healthy with implementation of Seventh Pay Commission by state governments. Good monsoons in the past two years have helped moderate food inflation and boosted rural income which has a large share of agricultural income.

## Impact of fuel prices

Fuel price plays a major role in any kind of transportation, being a significant variable cost. As fuel price reduces, it is seen that propensity to travel increases. Crude oil is the main raw material from which various petroleum products are obtained. Crude oil prices affect prices of all its derivatives and impact road, rail and air travel. As fuel prices move up, the cost of transportation tends to move up and travelers have added incentive to shift towards modes which have lower cost per distance travelled. Fuel prices are determined by overall demand-supply conditions in the global market, particularly in main refining centres such as Singapore, north-west Europe, and US Gulf Coast, and in the major supply centre - the Middle East.

Geo-political concerns and escalating trade war between US and China have raised concerns regarding global growth. Subsequently, oil price which was trading around \$74 per barrel at the beginning of the month of July, 2018, fell to \$69 per barrel at the end of the month (a drop of almost 7%) as soon as the Chinese government retaliated with a tariff policy on the U.S. imported goods. Furthermore, sanctions on Iran and Turkey have impacted the emerging market currencies as fears of contagion effect are being raised. India being a large importer of crude oil is especially vulnerable to volatility in crude prices.

### Crude oil prices' trend



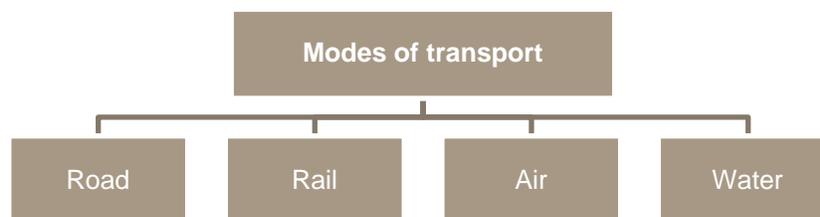
Source: Industry, CRISIL Research E: Estimated

### Crude oil prices projected at \$68-73 per barrel in 2018, to hover around \$55-60 in 2021

In 2018, crude oil prices are expected to range between \$68 and \$73 per barrel, aided by OPEC (**Organization of the Petroleum Exporting Countries**)-led supply cuts and strong demand from the US and non-OECD (Organisation for Economic Co-operation and Development) nations such as India. Additionally, on-going tensions in the Middle East and fears of US re-imposing sanctions on Iran are expected to drive oil prices during the year. However, crude oil prices are not expected to sustain at the current levels over the longer term. While the OPEC nations, along with Russia, have been talking about entering into a long-term pact to support oil prices, we do not expect the existing production cuts to continue beyond calendar 2018. Geopolitical tensions (which lead to disagreements among member nations) and planned expansions in output where investments have already been made, will discourage members from staying in the pact. Additionally, rising crude prices will drive more shale production and make other offshore projects feasible, thus negating the impacts of such cuts. Further, crude oil demand growth is also expected to slow down after calendar 2018, due to stabilising global economic growth. As a result, long-term oil prices are expected to settle somewhere between \$55 and \$60 per barrel through calendar 2022.

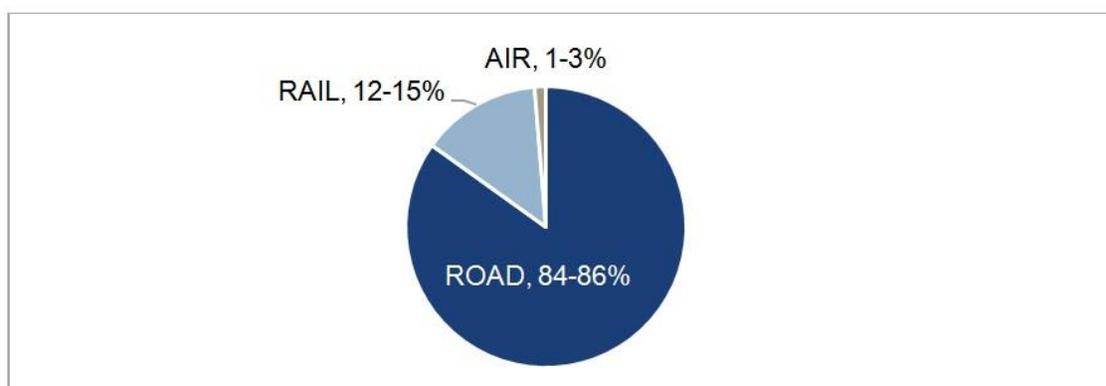
## Transport infrastructure in India

Infrastructure plays a key role in any developing economy, propelling overall development of economy. Passenger transport heavily relies on availability of good transport infrastructure. Modes of transport can be broadly classified as:



Of the four modes listed above, road dominates passenger transport followed by rail; air is minuscule compared to other modes of transport. Waterway as a share of passenger transport has reduced to almost nil. Transport infrastructure has a strong bearing on modes of transport preferred and used by passengers.

Passenger travel is dominated by road, followed by rail. The share of air traffic is minuscule in overall passenger movement at a pan-India level, as shown in the following figure.



Source: CRISIL Research

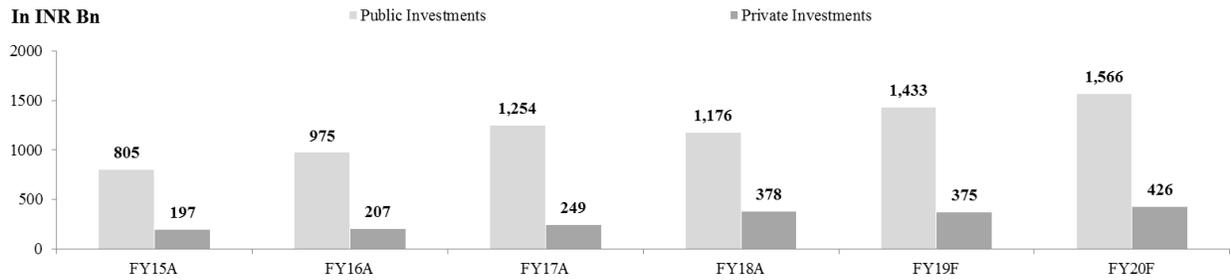
The transport sector contributes 6% of the country's GDP with road transport accounting for around 70% share. India has the second-largest road network in the world, aggregating 5.4 million km. Roads are the most common mode of transportation and account for about 84-86% of passenger traffic and close to 64-66% of freight traffic. Highway traffic in the country is on a growth trajectory. Road transport is likely to account for around 50% of both freight and passenger traffic.

### Road infrastructure

Road projects in India have largely been financed through public funds. While there is significant private sector participation in national highway projects, we foresee public funding in national highways to remain high over next five years. CRISIL Research estimates Rs 10.9 trillion will be invested in road projects between Fiscals 2019 and 2023, with public funds (central and state governments) dominating overall spending. Investment would largely be driven by public funds through engineering, procurement and construction (EPC) and hybrid annuity model (HAM) contracts, as private participation in the sector remains muted.

- States like Uttar Pradesh, Tamil Nadu, Odisha and Madhya Pradesh lead state road investments
- Central budget allocation for Pradhan Mantri Gram Sadak Yojana (PMGSY) has been Rs 190 billion in each Fiscals 2017, 2018 and 2019. However, actual investments in past two Fiscals 2017 and 2018 were Rs 137 billion and Rs 169 billion respectively.

## Public and Private Investments in Road Infrastructure



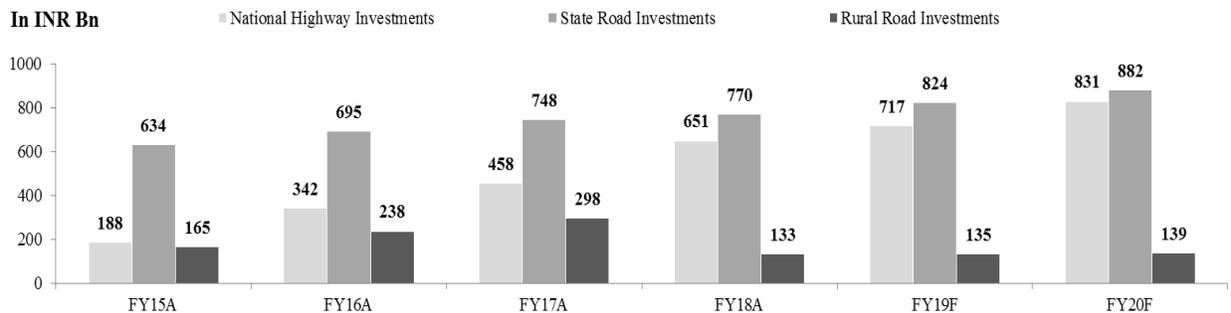
Source: CRISIL Research  
F: Forecast

Public investments in road infrastructure have been increasing over last five years, as we can see in the figure above. Public investment for Fiscal 2018 is Rs 1,176 billion and for Fiscal 2020, it is projected to be more than 90% that of Fiscal 2015. Private investment too in roadways is positive, with investments of Rs 426 billion estimated for Fiscal 2020. In comparison, public investments are more than four times of private investments over almost all the years.

Roads can be classified into three types as:

- National highways
- State roads
- Rural roads

## Investments in Road Infrastructure



Source: MoRTH, CRISIL Research  
F: Forecast

### National highways

National highways (NH) constitute around 2% of the country's road network, but carry about 40% of total road traffic. National Highways Authority of India (NHAI), the nodal agency under the Ministry of Road Transport & Highways (MoRTH), is responsible for building, maintaining and upgrading NHs. To develop the NH network, NHAI launched National Highways Development Project (NHDP) in December 2000. Between Fiscals 2019 and 2023, CRISIL Research expects investment of Rs 5.5 trillion in NH, up three times compared with past five years. Notably, the government's contribution will increase to about 70%.

### Execution of national highways through NHAI: Total length constructed/ upgraded (Rs Billion)



Source: NHAI, CRISIL Research

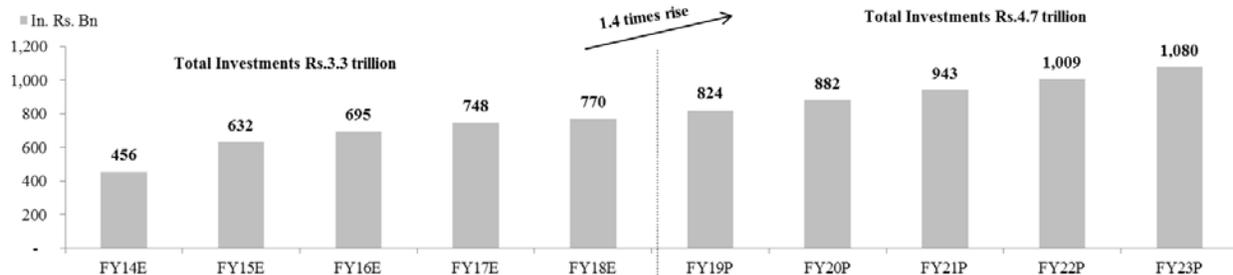
P: Projected

Pace of highway construction has quickened since Fiscal 2016, on the back of sustained government thrust and policy changes to remove bottlenecks and an increase in road cess to fund these projects. Execution by NHAI improved significantly in Fiscals 2016 and 2017. CRISIL Research estimates highway execution to increase to ~3,300 km in Fiscal 2019.

### State roads

Development of state roads has progressed well in recent years, and we believe this momentum will continue. Major states, such as Maharashtra and Rajasthan, have increased budgetary allocation for state roads significantly this fiscal. Central funding through the Central Road Fund has been constant. State governments have been allocating a significant portion of their budgets on road development, with Uttar Pradesh, Tamil Nadu, Odisha and Madhya Pradesh being the largest allottees. During this period, contribution from the central government to state roads, through the Central Road Fund, has been increasing steadily, from Rs 21 billion in Fiscal 2015 to Rs 24 billion in Fiscal 2016 and Rs 40 billion in Fiscal 2017. Currently, 12-15% of the total investment in state road projects is via public-private partnership (PPP).

### State roads: Overall investment (Rs billion)



Source: MoRTH, CRISIL Research

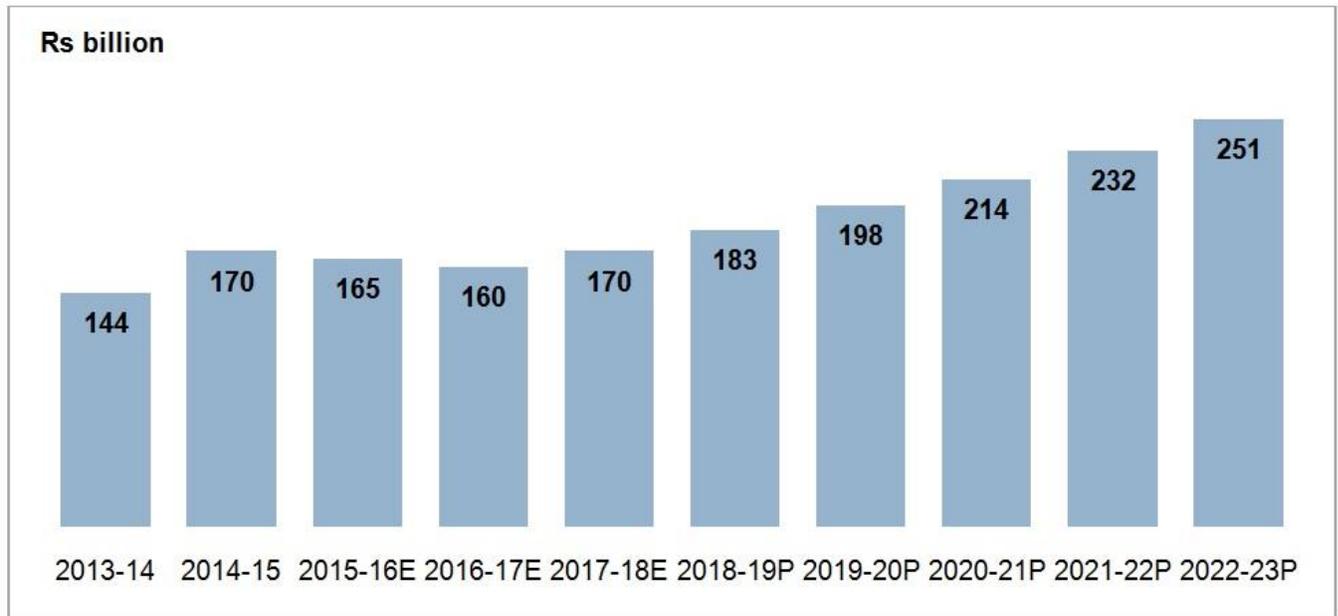
E: Estimated; P: Projected

Investment in state roads is expected to increase moderately at ~7% CAGR between Fiscals 2019 and 2023 to Rs 4,738 billion, because of higher budgetary allocation by state governments. In preceding five years, investments had risen at 6% CAGR.

## Rural roads

Bulk of rural road development is being undertaken under Pradhan Mantri Gram Sadak Yojana. PMGSY, a 100% government-sponsored scheme, is funded by budgetary allocations; market committee fees; and loan assistance from National Bank for Agriculture and Rural Development (NABARD), World Bank and Asian Development Bank. PMGSY aims to connect all identified rural habitations through construction of all-weather roads. Upgradation of existing rural roads is also undertaken under the programme.

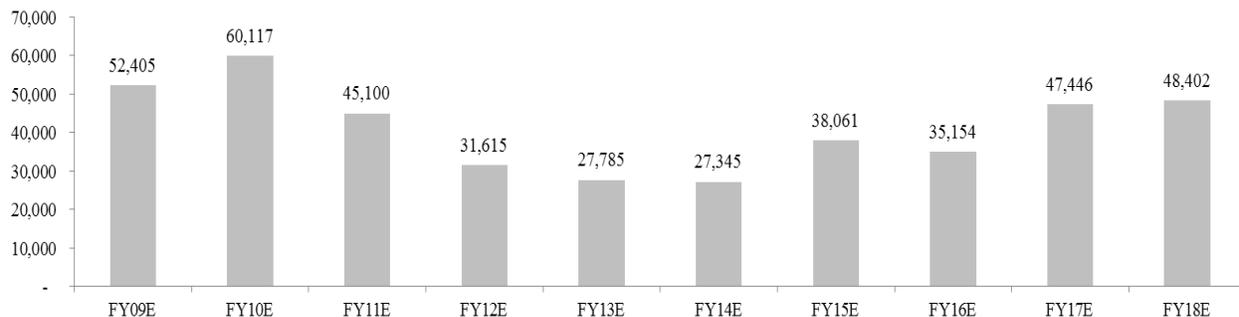
### Rural roads under PMGSY: Year-wise investments



Source: CRISIL Research  
Note: E: Estimated, P: Projected

Government increased allocation substantially in Fiscals 2016 and 2017 and maintained the budget allocation for 2018. To speed up implementation, the Centre allocated Rs 190 billion each in Fiscals 2017 and 2018. However, actual investments were Rs 137 billion and Rs 169 billion respectively (as per the revised estimates). The budgetary allocation for Fiscal 2019 is Rs 190 billion approximately. Total investments for 2018-2023 are projected to be around Rs 1,079 billion. CRISIL Research expects investments to grow at 8% CAGR up to Fiscal 2023.

### PMGSY: Year-wise road length constructed (km)



Source: CRISIL Research  
Note: E: Estimated, P: Projected

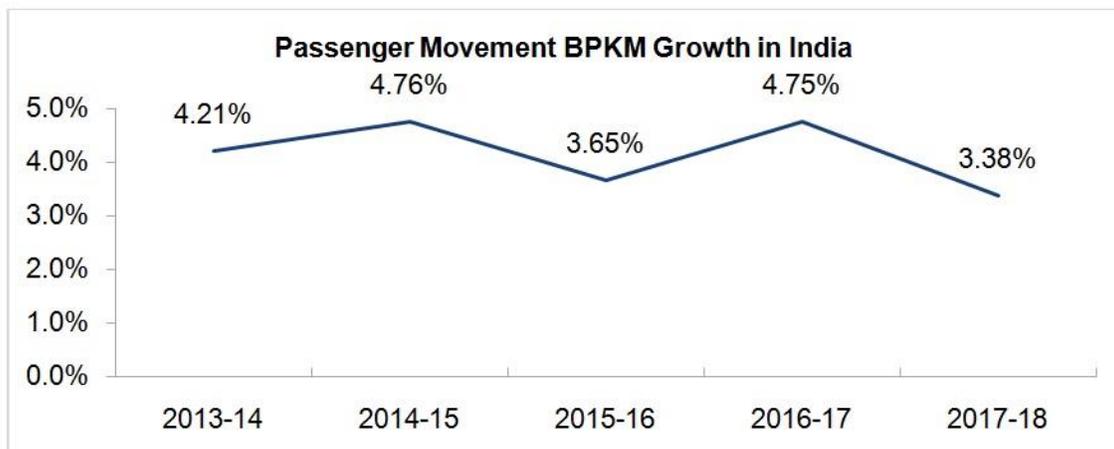
PMGSY-I (first phase) involves construction/upgradation of over 800,000 km of rural roads; as of March 2018, ~550,000 km of approved road projects had been executed. The government launched PMGSY-II (second phase) in Fiscal 2014 to connect eligible routes under PMGSY-I that have not yet been sanctioned. Around 50,000 km were identified under the scheme. Road length constructed in Fiscal 2017 and 2018 is estimated to be 47,446 and 48,402 km respectively. Maximum execution is expected in Bihar, Madhya Pradesh, West Bengal, Uttar Pradesh, and Odisha.

**Passenger transportation in India**

Indians are more avid travelers with an average of 5.6 trips annually, according to the Global Travel Intention (GTI) report 2018 by Visa, significantly above the global average of 4.2 trips and Asia Pacific average of 4.7. For Indians, bonding with family is cited as the main motivator for travelling, although ‘disconnecting’ and ‘reward’ are close behind, the report said. Culture or heritage, time available and good scenery are key drivers while choosing holiday destinations. As per CRISIL Research estimates, over the past five years passenger movement has grown at compounded rate of 3.4%.

The measure of passenger movement called “passenger kilometer” abbreviated as PKM, is calculated as total passenger carried multiplied by total distance covered in kilometers. For example, a car carrying four people which has travelled 50kms has accounted for 200 PKM (4 people X 50kms).

**Passenger Movement BPKM Growth in India**

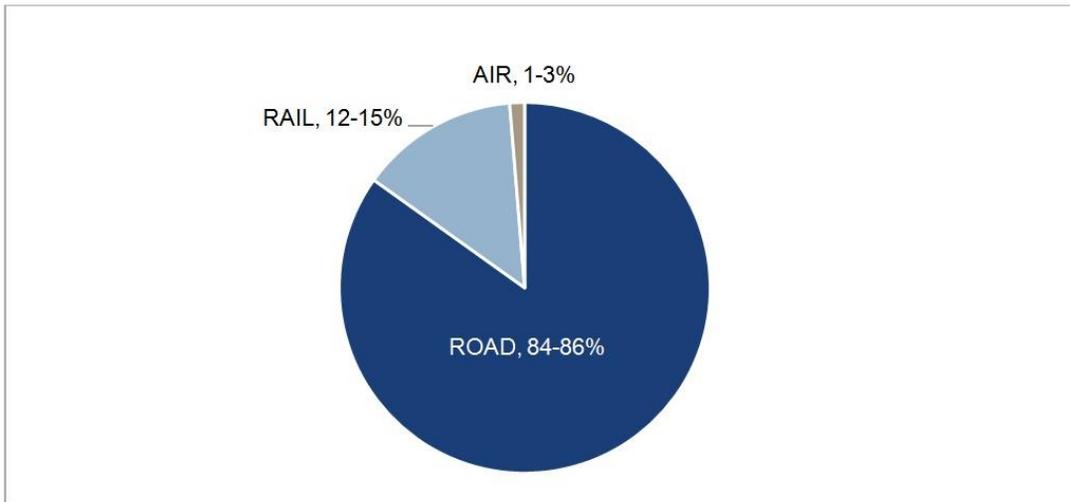


Source: CRISIL Research

**Modal share in passenger transport**

Passenger travel is dominated by road, followed by rail. The share of air traffic is miniscule in overall passenger movement at a pan-India level, as shown in the figure below.

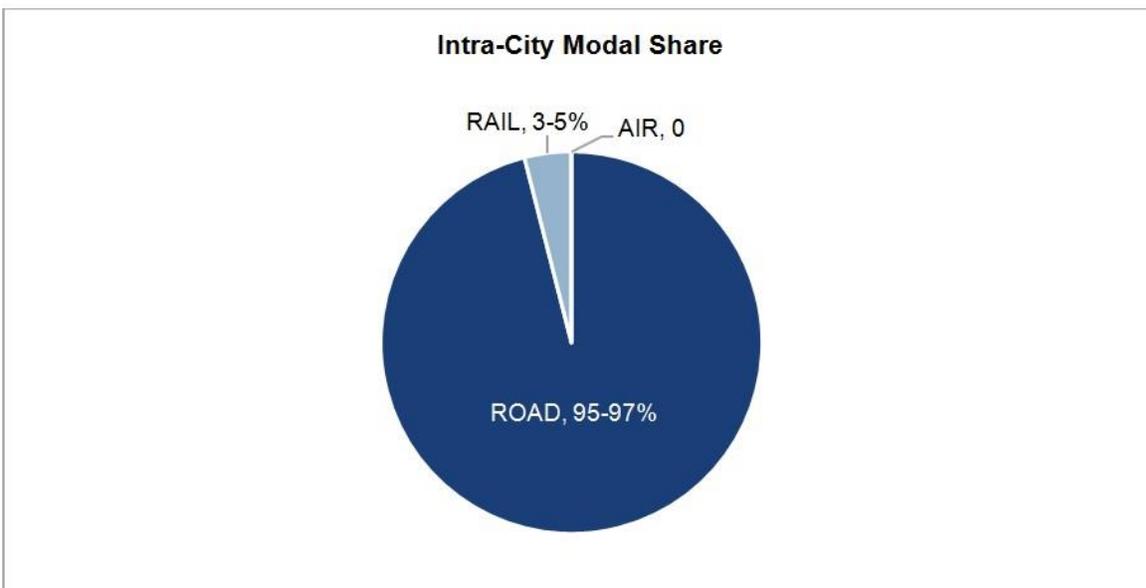
### Modal Share of Passenger Movement in India as of 2017



Source: CRISIL Research

Passenger transportation can be broadly classified into inter-city and intra-city movement based on distance of travel. As per CRISIL Research estimates, intra-city transport account for about 48 - 50%, whereas inter-city transport had 50 - 52% of the total passenger transport in Fiscal 2018.

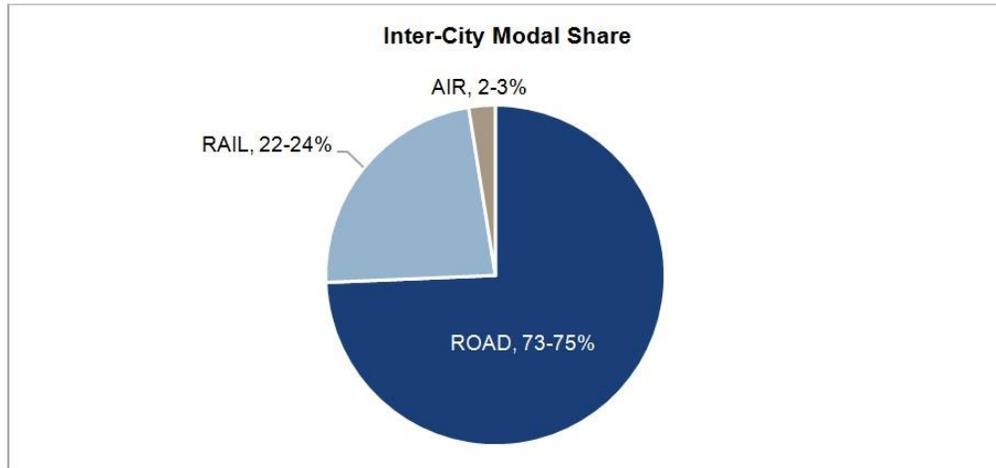
### Intra-city modal share of passenger movement



Source: CRISIL Research

Railways account for a marginal 2-5% in intra-city passenger movement, which is too low when compared with inter-city transport. This is because of lack of railways for most cities due to which most of the passenger movement happens by road. Only large cities in India have railway infrastructure that have connectivity within the district to cater the needs of intra-city passenger's transport.

### Inter-city modal share of passenger movement



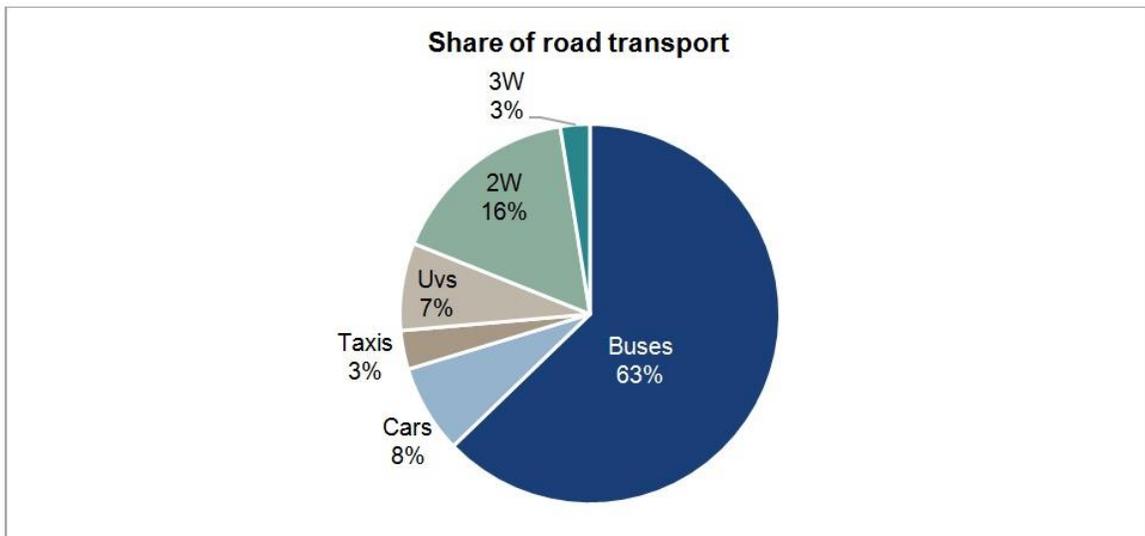
Source: CRISIL Research

By contrast, for inter-city transport railways account for a much higher 22-24%. This is because of good railway connectivity across the country which is highly dependable and cheaper for long distance travel. Air transport is also available for inter-city movement. However, passengers do not opt for air transport frequently because of lower per capita income.

### Road transport in India

Unlike railways, road transport covers every nook of the country. Roads have become a lifeline of the Indian economy and passenger movement. Indian roads carry more than 84%-86% of passenger movement and 64-66% of freight. Road transport is flexible, convenient, and cheaper for short distances and connects door to door. Most popular vehicle segments for road travel are two-wheelers, three-wheelers, cars, taxis, and buses, etc.

### Modal share of road transport



Source: CRISIL Research

## **Mobility**

Mobility for human beings is a basic need which has evolved from walking to animal powered carts and mechanised means of transportation. Mechanised transport such as trains, buses cars and airplanes have helped bridge distances and ensure efficient, safe and economical transportation.

Passenger mobility can also be classified by motorisation as non-motorised (predominantly bicycles) and motorised transportation. Motorised transport has seen a strong growth with increase in real income of the population and falling real cost of owning a vehicle. Private transport which includes cars and two wheelers have seen faster growth compared to public transport which includes buses and trains.

The growth in passenger transport in any county is determined by two broad factors which are - the need for travel and available modes for travel. The need to travel for purposes such as employment and education are fairly inelastic (does not get impacted significantly by change in cost of travel). In a country like India where the population is expected to grow at a steady pace for at least a couple of decades, the demand for passenger transport will continue to grow. However the mode of travel selected by passengers will depend on multiple factors of which the most important are - availability of transport and total cost of transport (including cost of owning the vehicle).

Surface mobility today is undergoing a transformation with governments and business around the world realizing the need for coming up with new innovative and efficient modes of transports to cater to the needs of crowded cities as well as remote villages. Technology has been transforming mobility with app-based cab and bus aggregators which allow for more efficient use of vehicles which lower cost while increasing utilization which is seen to be preferred by the younger generation.

### **Personal mobility**

Personal mobility includes all vehicle segments which are non-public such as cars, utility vehicles and two wheelers owned by the public for personal use. The personal vehicle sales have been in a strong uptrend in India for decades. The main factors which determine the trend personal mobility trend are cost economics of owning a personal vehicle and the need for travel. Since the need for travel affects all modes of travel the cost of owning a vehicle is a key differentiating factor is driving personal vehicle sales. As the country is expected to grow economically, the per capita income of the county will increase which is expected to drive personal vehicle sales. However, the growth in population in cities and the traffic situation will so push people to opt for public transport where there are feasible options (timing and routes) available.

Per capita income is used to gauge living standards. Per capita income increases travels undertaken by people as the standard of living improves. During the last five years, per capita income has grown from \$1,452 to \$1,939 at a CAGR of 5.96%. In the same period, passenger movement through personal vehicles has increased at a comparable CAGR of 5.92%. Currently, personal mobility accounts for about 1/3<sup>rd</sup> of total passenger movement.

India has become the largest two-wheeler market in the world with a market size of 17.7 million units in 2016. It crossed 20 million unit sales in 2018 but penetration of two-wheelers is still low at 129 motor vehicles per 1,000 people. Clearly, the two-wheeler market has huge potential to continue growing in future as well.

India has a long way to go as it is ranked 126<sup>th</sup> in 2017 on per capita income basis. As per capita income increases, people will move to more comfortable, convenient and faster modes of transport.

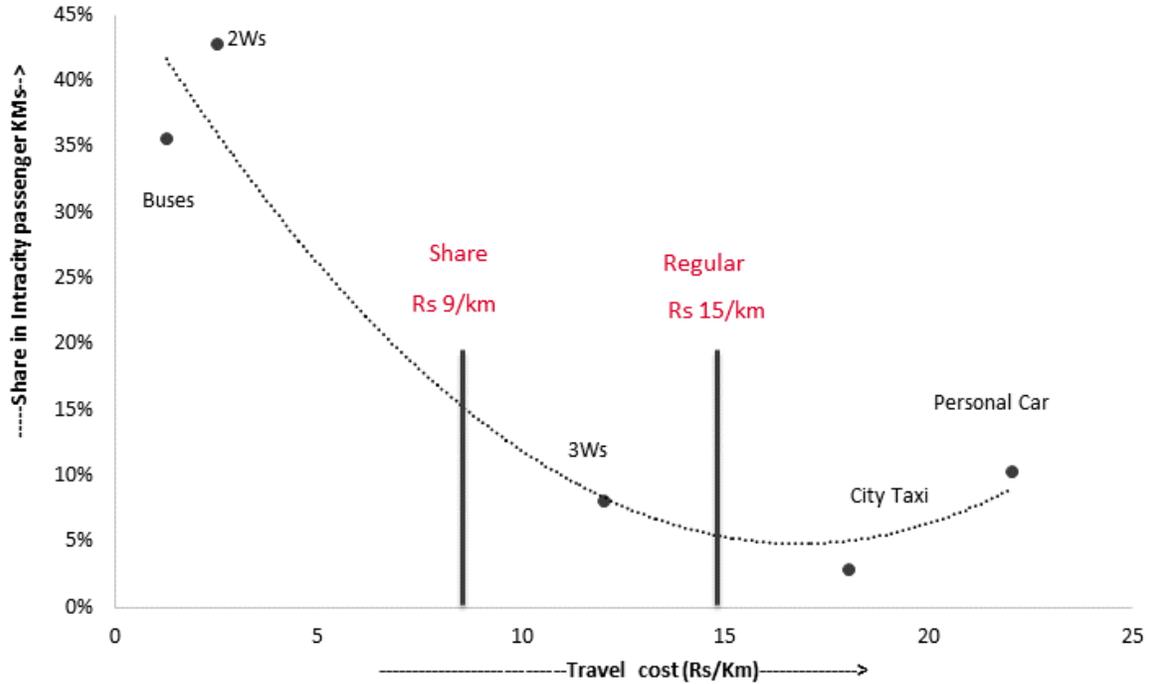
### **Shared cab aggregators**

Cab aggregators, particularly the app based aggregators have seen rapid rise in India in the past few years. They are competitively priced and managed to take a significant share of passengers in major cities. Shared cabs (where people independently book to travel in the same cab) is priced even lower. Although they have put a dent in the business of radio taxis, as per our analysis, the cost of travel by cabs remain significantly high compared to buses due to which they primarily compete with three wheelers.

## Cost of travel across various vehicle types

Buses are the most economical mode of transport for intra-city transport however, due to limited routes and capacity constraints and long waiting time people choose to opt for more convenient and faster modes of transport which is usually two wheelers in the case of majority of the Indian public.

Passenger transport cost (Cost per KM)

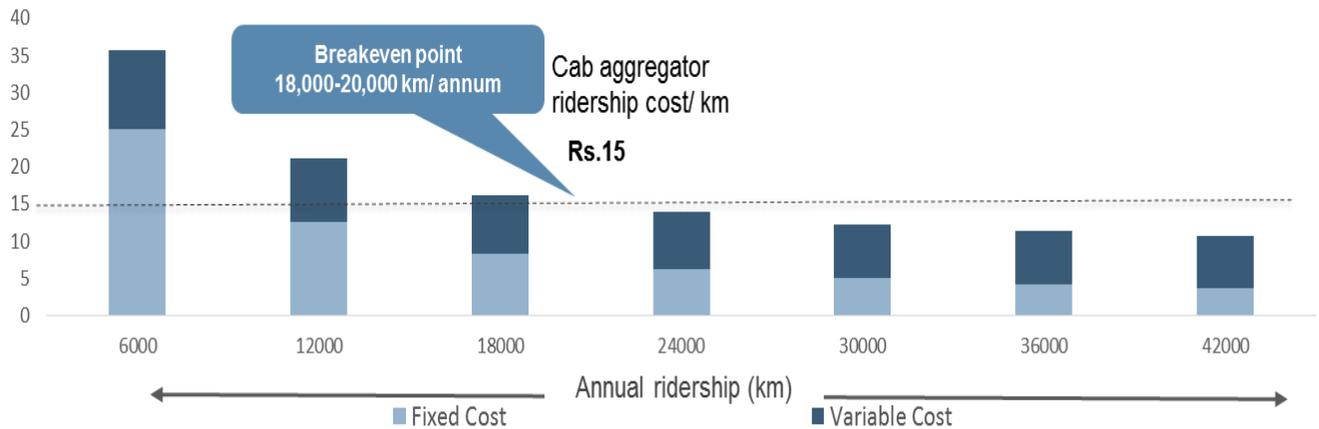


Source: CRISIL Research

The figure above shows a huge gap between mass transport systems i.e. buses that cost less than Rs 2 per km, 2-wheelers that cost less than Rs 2.5 per km after which there is a huge gap to the next mode of transport which is 3W. Shared cabs have now moved in to fill that void while regular cab aggregators and filling the gap between 3W and city taxi cost.

Among the factors driving passenger preference for cab aggregators is the cost per kilometre. CRISIL Research's study shows the cost of hailing an aggregator cab is Rs 19 per km, compared with Rs 18 for a traditional taxi, and Rs 22 for own car. A shared aggregator cab is available for as low as Rs 11 per km.

### Comparison of Cost of travel between personal car and cab aggregators



Source: CRISIL Research

Although the cab aggregators have become very popular in cities recently, as per CRISIL Research estimates based on a study done in 2017 based on an average driving distance of 12,000 km annually for a personal car in India, the cost works out to Rs 22/km (including fixed and variable costs). Thus a personal car is cheaper only if the distance driven is more than 18,000 km annually.

### Population trend in cities

Shared mobility is popular in cities. As per Census 2011, 31.16% of India’s population resides in cities. In most of the cities’ population growth is higher than the pan-India growth rate as people are moving to cities in search of jobs, better standard of living and quality of life.

The demography of India is also changing because of the high fertility rate in recent years, which is expected to normalise by 2020. The higher fertility rate resulted in a huge young population. As per the World Bank’s data, 850 million people in India are below the age of 35. Young people are usually quicker to adopt new trends and less likely to own a car, thus implying a likelihood of adopting new mobility options.

### Outlook on Shared cab aggregators

The advent of cab aggregators and their rapid growth has fueled concerns of shift of passengers to cab hailing services over the long term due to the cost and convenience with such services. However, as per a study conducted by CRISIL Research, impact of shared cab is expected to be nominal on sales of cars and UV’s. The reason being, the cost differential between the lowest cost transport such as bus and two wheelers is very large and as such may not be affordable for a large part of the population for travel on a daily basis. Secondly, limited fleet sizes of cab aggregators outside metros.

Cab aggregators have seen a significant growth in fleet sizes over the past three years however, the decrease in earnings for the cab owner since the past few quarter the interest from cab drivers working for these companies is waning. The rapid growth seen in the initial years had a larger impact on car sales when operators were adding cabs to their fleet rapidly however the impact is expected to decrease going forward.

Assuming the base case to be that the availability of cab aggregator will not cause shift of passengers from other modes of vehicles and the alternative case to be that people would shift from other modes of transport to cab aggregators.

We expect cab aggregator to continue to grow but impact on passenger vehicle 5yr compounded sales growth could be to the tune of 0.1% to 1.5% though FY2023. While some shift from other modes of road transport is expected, the passenger demand for other modes of transport is expected to be marginal as cars account for about 10-12% of total

passenger transport in India.

### Bus transportation in India

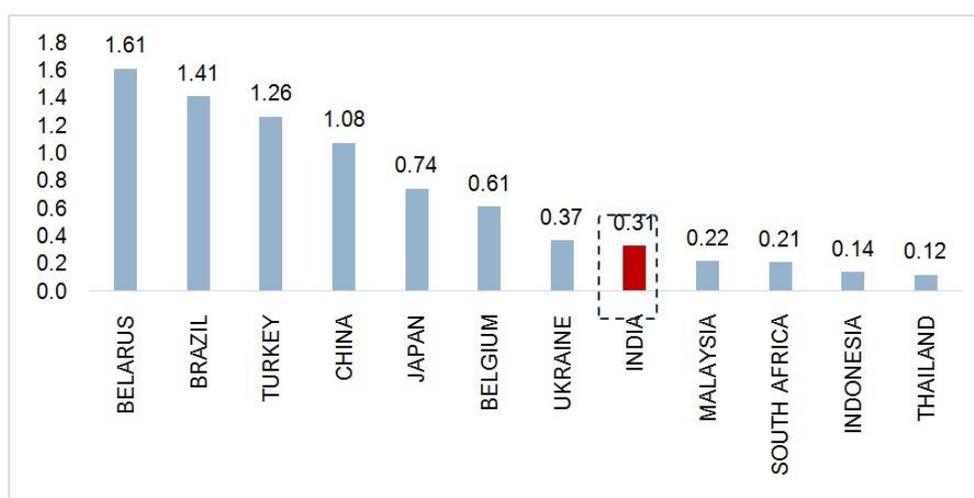
Buses are the most common mode of transport in the world. Bus transportation accounts for 55% of overall passenger movement in India and 63% of road passenger movement in India. As per our estimates, the bus passenger transport industry is about Rs. 4,000 – 4,500 bn in FY2017-18.

Public bus transport has good connectivity and is also affordable. Cost of bus transportation is amongst the lowest of all road transport modes. Further, bus transport is very efficient from both - fuel consumption per passenger as well as from a traffic congestion perspective. While a bus can carry about 10 times as many passengers as a car does it only consumes 3 times as much fuel and from a traffic congestion perspective is equivalent to 4 cars (4 passenger car units).

The number of buses operating in India increased at a CAGR of ~5% during FY2012 to FY2017. Bus penetration in India is very low as compared to other developing and developed countries. Brazil being a developing country has 1.41 buses per thousand people whereas India has only 0.31. As per the Census 2011, More than 50% of workforce (excluding domestic and agriculture) continue to work at home or travel to their workplace by foot in the absence of adequate transport facilities.

### Global comparison shows India lagging in bus transportation

Bus Penetration (Per 1000 People)



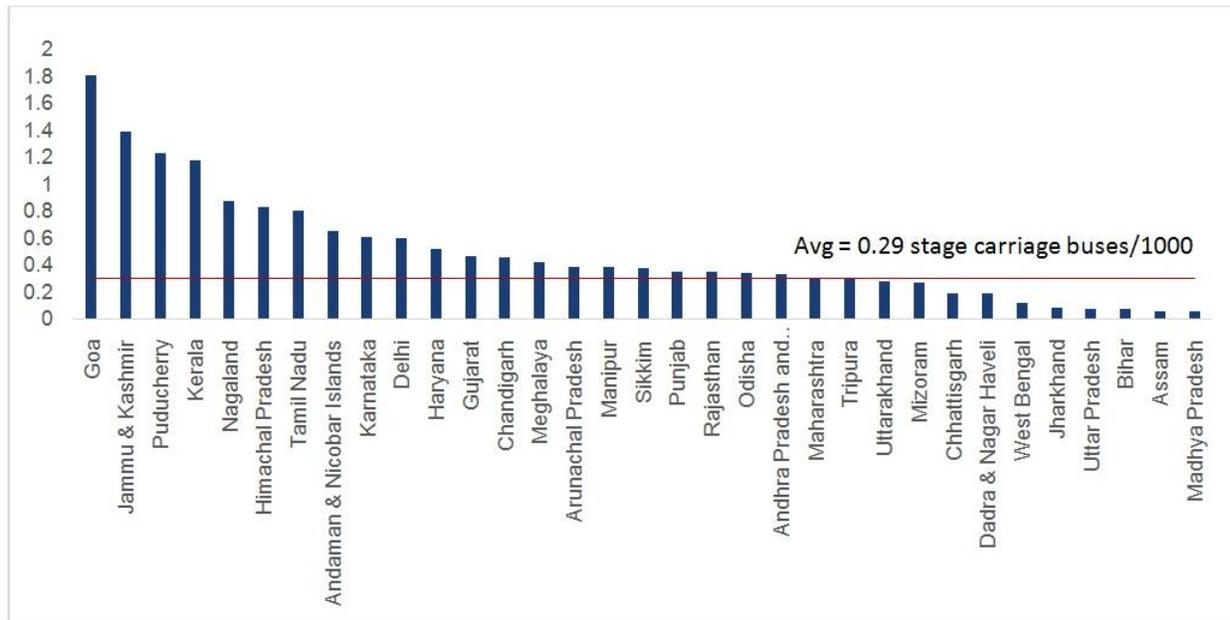
Source: OICA, CRISIL Research

Note: For the purpose of comparison penetration for buses is calculated as per OICA definition of Buses and Coaches for all countries

### Penetration of buses (stage carriages) in Indian states & union territories

In India, stage carriage buses are operated by both public as well as private operators. Stage carriage bus is a motor vehicle constructed or adapted to carry more than six passengers, excluding the driver for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey.

### State-wise comparison of stage carriage buses (Per 1000 People)



Source: MoRTH, CRISIL Research

India has an average penetration of ~0.29 for buses (stage carriage) per 1000 people which is considered to be low. However, if we look at the numbers more closely there is a wide variation between states. At a pan-India level around 47% of the population live in states with below the national average bus penetration which, goes to show that there is still a long way to go for our country in making public transport accessible to all.

#### Modes of operation

Bus operators in India can be divided into three categories where the first category is the state owned STU's while the other two categories of contract operators and fleet operators are private operators:

**State transport undertakings (STUs):** Currently, 70 STUs operate in the country providing passenger transport services at affordable price. However, only 8 STUs ply more than 5,000 buses. In 2017, STUs had approximately 1.43 lakh buses (including hired), which has grown slowly at 1.4% CAGR in the last five years. STUs are owned and managed by the government - fully or partially. STUs operations can be further divided into:

- **Intra-city operations:** Include BEST (The Brihanmumbai Electricity Supply and Transport), NMMT (Navi Mumbai Municipal Transport), DTC (Delhi Transport Corporation), and AMTS (Ahmedabad Municipal Transport Service) and Atal Indore City Transport Services Ltd. They are operated by local government bodies like Municipal Corporation and Zilla Parishad. They operate within a city with regular stops on a short route. Intra city buses usually run shorter distances compared to inter-city buses as higher number of stops and city traffic limits to total distance travelled by a bus. The average distance travelled by an intra-city STU bus was 217 kms/ day in the first half of Fiscal 2017. The local authority is responsible of smooth, affordable and convenient transportation in the local area.
- **BRTS:** BRTS is a specific type of intra-city bus-based public transport system designed to improve capacity and reliability relative to a conventional bus system. BRTS includes roadways that are dedicated to buses, and gives priority to buses at intersections where buses may interact with other traffic. BRTS projects have been highly successful internationally and come at one-tenth the cost of metro projects.

Government-designated BRTSs are operating in around 15 cities across India. BRTSs with segregated lanes are operating in Pune, Ahmedabad, Delhi, Indore, Rajkot, Surat, Bhopal and Jaipur. BRTS without segregated

lanes is operating in Mumbai. BRTSs are also operating in Vijayawada, Bhubaneswar, Amritsar, Vishakhapatnam, Jodhpur and Raipur.

- **Intercity operations:** Include all state transport services like Maharashtra SRTC (State road transport corporation), Gujarat SRTC, Madhya Pradesh SRTC, Telangana SRTC, AICTSL (Atal Indore city transport service ltd) etc. They mainly operate under the state government and connect cities, districts within states, and nearby states. As these buses run longer distances and have shorter stops compared to trip duration such buses clock higher average running per day compared to intra-city operations.

**Contract operators:** Contract operators provide bus service to a pre-defined group of people for a particular period under a contract. They provide customised services as per the need of the customer like picnic trip for 1-2 days, and transport to and from school/office. The contract operators market is unorganised as many contract operators do report their operations or financial data to the government. Contract operators are divided into small, medium and large operators. Few of the large contract operators are Chartered Speed Pvt. Ltd., IndiYeah Tech Private Limited (Kruze) and Shuttle cabs private limited, etc.

- **Fleet operators:** Fleet operators are operators who ply buses from one city to another with multiple pick-up points in once city and drop points in destination city. Key players include Neeta International Tours and Travels Pvt. Ltd., VRL Logistics ltd., Chartered Speed Pvt. Ltd., Mahasagar Travels ltd., SRS Tours and Travels Pvt. Ltd., Prasanna Purple Mobility Solutions Pvt. Ltd., etc.

### **PPP model of bus operations**

Apart from the above classifications there are also some fleet operators who operate buses for STU's under contracts which vary from STU to STU based on the terms of contract, where the operation and maintenance of the bus would be the responsibility of the operator while the ownership of the bus could be with either with STU or fleet operator. The PPP model of bus operation has been found to be a successful model where the STU is able to provide economical bus service to the public which simultaneously lowering capital and staffing costs. With STU's being cash strapped, the PPP model is being increasingly used by STU's. Today many cities operate buses on the PPP model such as Ahmedabad uses PPP for BRTS as well as Ahmedabad Municipal Transport Services, Surat, Delhi, Indore are among the few prominent ones.

While the terms of the PPP model many vary from STU to STU, they can be broadly be classified into two main business models as:

**Net cost model:** In this model the STU awards the tender to the private operator who quotes the highest royalty/premium which is a share of the profit or a fixed payment to be paid by operator to the STU. In cases where the buses need to be run on routes where there is not enough revenue generation and the buses will be operated on a loss, the private operator will get a viability gap funding (VGF) from the STU. This is done by the government to provide a basic service to the public rather than with profit making objectives. The buses (owned by the STU or operator based on the terms of the contract) will be operated and maintained the bus operator who will have their own driver and conductor, while the authority of setting the fare, routes and number of buses lie with the STU.

In this model, the private operator who needs to keep turning a profit to operate sustainably carries the risk of revenue which has caused the model to fail in some instances. The gross cost model has seen more success in such cases.

**Gross cost model:** In this model the operator usually who bids the lowest will usually get a fixed payment based on the number of kilometres per day or a combination of parameters as decided in the contract. The main difference of the gross cost model from the net cost model is that the bus operator doesn't carry the risk of revenue and thus when viability of routes decline the bus operator can continue to operate the bus which translates into consistent economical service to the public. The private operator in this case only operates and maintains the buses, while the STU has their conductors who handle ticketing. The STU is also entitled to the upside in this case if the route turns out to be more profitable. Ahmedabad Janmarg Ltd (AJL) and Ahmedabad Municipal Transport Services (AMTS) employ this model.

### **Key Demand Drivers**

### State transport undertakings

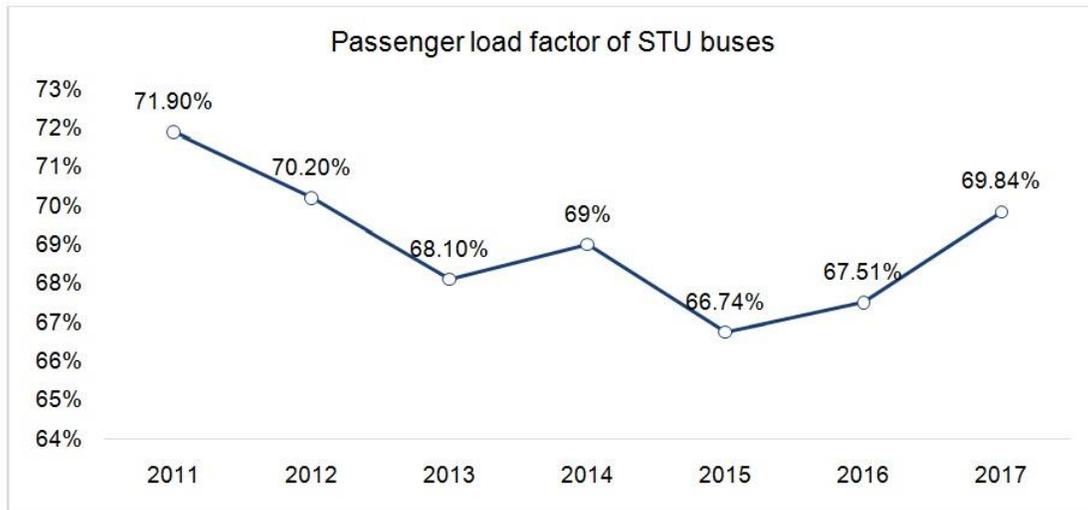
Majority of the STUs are under financial stress. They don't have the resources for capital investment to increase fleet size, modernise workshops, deploy information and technology, etc. As a result, operating cost remains high.

JNNURM I buses, sold during the peak seasons of FYs 2011 and 2012, are expected to be replaced once funds are released by the central and state governments for purchase. Replacement with new buses may lead to higher lower operational and maintenance cost and improve STU's profitability. Negligible demand was seen from Jawaharlal Nehru National Urban Renewal Mission (JNNURM) II deliveries in FY 2018 as majority of the deliveries were completed.

### STU profitability

Passenger load factor (PLF) is also known as occupancy ratio is percentage of distance travelled by passengers to the total capacity of kilometres plied by the buses. As shown in the figure below, we see that PLF for STU buses which dropped to 67% has gradually started improving. BEST, STPJB, DTC (NCR) and Thane MTU have recorded PLF below 60%.

**Passenger load factor of STU buses**

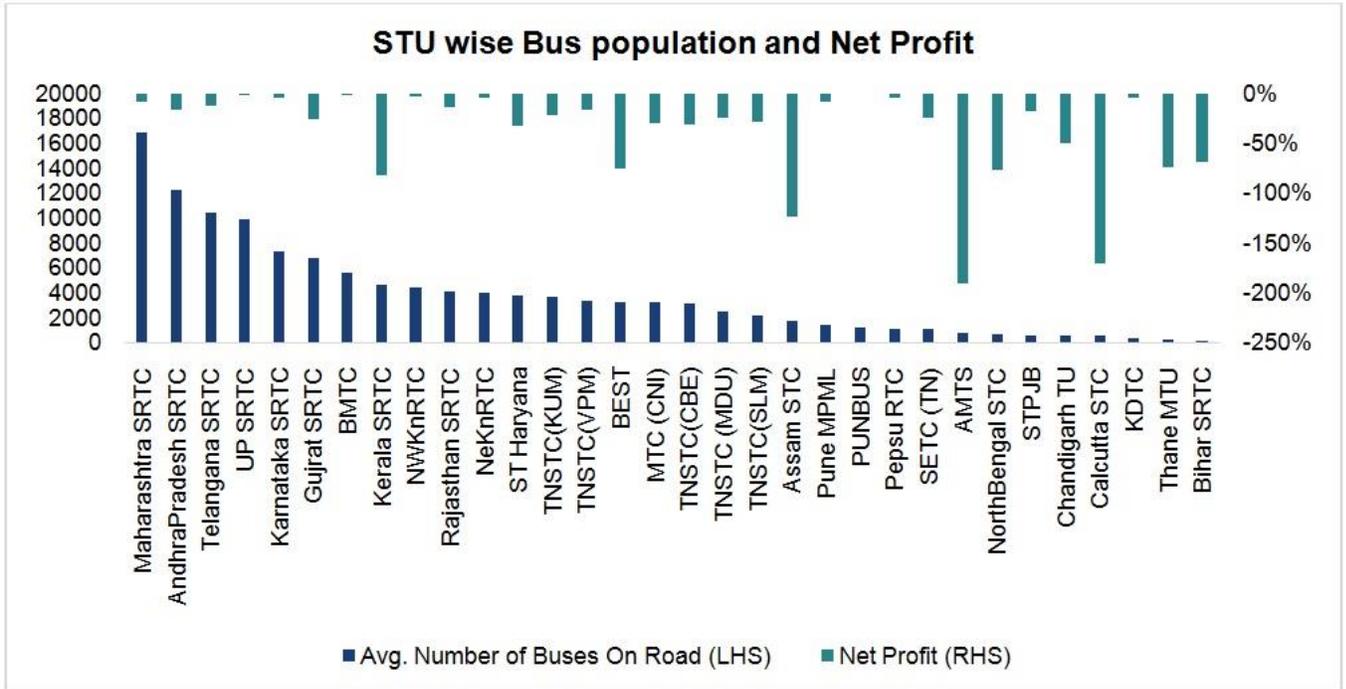


*Source: MoRTH, CRISIL Research*

*Note – Only 33 STUs have furnished data for the first two quarters of FY 2017 (i.e. 1<sup>st</sup> April, 2016 to 30<sup>th</sup> September, 2016)*

As per CIRT, STUs suffered a net loss of 39.34% in first half of FY2017. The major loss contributors were DTC, Assam STC, AMTS and Calcutta STC (State Transport Corporation) while Punjab Roadways was the only profitable entity with a narrow profit margin of 0.55%. While most STU's reported a loss there is a wide variation between the profitability of each STU as shown in the figure below:

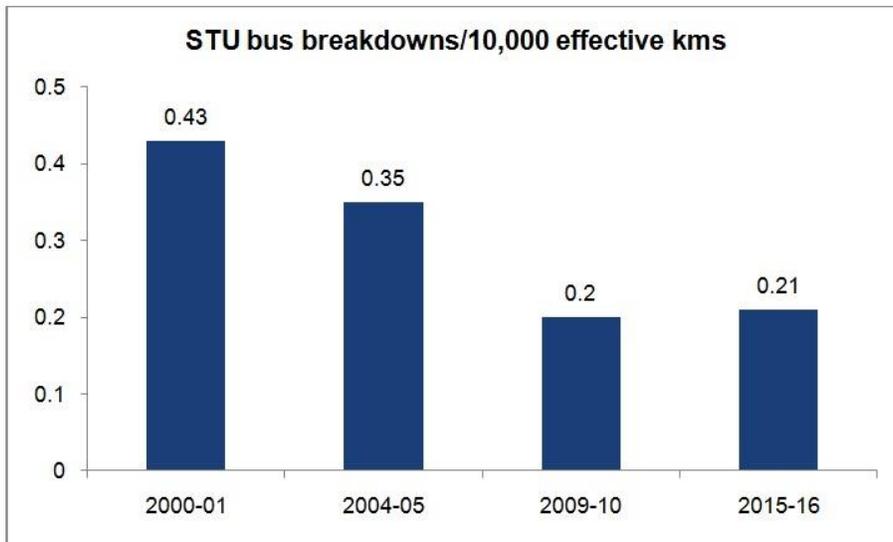
### STUs wise Bus Population and Net profit



Source: CIRT First Half of FY2017, CRISIL Research

The average age of STU buses is 6.78 yrs however there were 18% overaged buses in the total STU fleet. Higher number of overaged buses increases maintenance costs and breakdowns. STU buses suffered breakdown of about 0.2 for every 10,000 kms. The breakdown rate had been falling in the last decade before stabilising around 0.2 and has not seen any significant improvement since Fiscal 2010.

### STUs bus breakdowns rate



Source: CIRT, CRISIL Research

## PPP model for financially strained STU's

PPP model of bus operations allow STU's to operate buses by bidding out routes to private operators where the lowest bidder will be awarded a contract to run a set number of buses on these routes for the contract period of a few years. Due to the presence of an experienced private operator who also invests capital to operate the buses the upfront capital requirement for STU's is reduced which allows them to operate a larger fleet of buses for a given amount. This has been successfully implemented in some cities such as Ahmedabad, Surat etc. which presents an opportunity for experienced bus fleet operators.

## Abolishing Permit Raj

In Union Budget 2016-17, the government announced plans to abolish 'permit raj' and open up road transportation in the passenger segment. At present, states can issue permits to private bus operators to run on certain specific routes. The amendment to the Motor Vehicles Act, 1988 will allow operators to ply buses on all sections, thereby increasing competition for STUs). However, this can be implemented only with the agreement of states.

## Intra-city Operations

Intra-city operators operate buses within a defined region (usually within the district) wherein they have multiple stops and can pick up and drop passengers at any of the stops.

## Increase in Intra-city transportation

India's population is growing at 0.96% CAGR, whereas cities are growing at much higher rate, e.g., Mumbai (2.15% CAGR), Delhi (2.03% CAGR), Bengaluru (2.15% CAGR), etc. Population of Tier 2 and Tier 3 cities is growing at a much higher rate, e.g., Pune (10.23% CAGR), Ahmedabad (5.47% CAGR), Indore (4.99% CAGR), etc. The need for public transport is increasing as the urban congestion is rising. AS per census 2011, 31% of the population resides in cities which are expected to reach 39% by 2030.

As per the Census 2011, More than 50% of workforce (excluding domestic and agriculture) continue to work at home or travel to their workplace by foot in the absence of adequate transport facilities. On the other hand India's working population is increasing which will generate demand for the intra-city stage carriage.

## Available alternate modes of transport

India's transport sector is large and diverse; it caters to the needs of 1.3 billion people. With the country experiencing rapid urbanisation, good physical connectivity in urban and rural areas is essential for economic growth. The share of public transport in cities with population above 4 million, declined from 69% in 1994 to 38% in 2007. Alternate modes of transport that have emerged in the last five years are metro, monorail and shared mobility (shared cab aggregators).

**Metro:** Metro trains are bulk-capacity public transport systems, which are generally seen in Tier 1 cities or urban areas. Metro services work on designated lines and run between stations using electrical units on railway tracks. India has 11 operational rapid transit systems (also called 'metro') in 10 cities. As of November 2017, India had 425 km (264 miles) of operational metro lines and 347 stations. A further 500+ km of lines are under construction. Cities that have metros are Kolkata, Mumbai, Delhi, Bengaluru, Gurgaon, Jaipur, Lucknow, Hyderabad, Chennai, Kochi, and Jaipur.

**Table 5.1 Upcoming metro systems in India (planning/implementation phase)**

| Promoter                      | Project name                        | Actual/expected completion date | Length (km) | Cost (₹ billion) | Status   |
|-------------------------------|-------------------------------------|---------------------------------|-------------|------------------|----------|
| Delhi Metro Rail Corp Limited | Delhi Metro Rail Project - Phase IV | Jan 2020                        | 103.3       | 610              | Planning |

| Promoter   | Project name  | Actual/expected completion date | Length (km) | Cost (₹ billion) | Status   |
|--|---|---------------------------------|-------------|------------------|----------|
| Chennai Metro Rail Ltd                           | Chennai Metro Rail Project - Phase II                                       | Feb 2026                        | 107.6       | 360              | Planning |
| Mumbai Metropolitan Region Development Authority | Dahisar-Charkop-Bandra-Mankhurd Metro Rail Project - Line 2                 | Mar 2023                        | 40.0        | 256              | Planning |
| Mumbai Metropolitan Region Development Authority | Wadala-Ghatkopar-Teen Hath Naka (Thane)-Kasarwadavli Metro Project - Line 4 | Mar 2022                        | 32.0        | 200              | Planning |
| Delhi Metro Rail Corp Ltd (Jaipur)               | Metro Rail (Jaipur) Project - Phase II                                      | Mar 2021                        | 24.0        | 100              | Planning |
| Bangalore Metro Rail Corp Ltd                    | Bangalore Metro Rail Project - Phase II                                     | Dec 2019                        | 72.0        | 264.05           | Planning |
| Pune Municipal Corp                              | Metro Rail (Pune) Project   | Dec 2021                        | 31.5        | 108.7            | Planning |
| Bhopal Metro                                     | Bhopal Metro  | 2021                            | 35          | 80               | Planning |

Source: MoHUA, CRISIL Research

**Monorail:** A monorail is a railway system that runs on a single rail. The Mumbai Monorail, which opened on February 2, 2014, is the first operational monorail system used for rapid transit in independent India. Many other Indian cities have monorail projects, as a feeder system to the metro, in different phases of planning. Apart from Mumbai, Chennai Monorail is the only one that is under construction.

**Personal mobility:** Personal mobility includes two-wheeler, cars, and utility vehicles. Personal mobility accounts for 31% of road transport movement. Personal mobility is mainly driven by growth in population and per capita income.

**Shared mobility:** Shared mobility refers to the shared use of a car, bike, bicycle or other transportation mode. It allows users to access transportation services on an as-needed basis. Shared mobility is an umbrella term that includes a variety of transportation modes including carpooling, car sharing, bike sharing, on-demand ride services and other modes.

### Impact on Intra-city operations

As of now Metro and Monorails are available in selected cities only and they are expected to come in selected cities only. Metro and monorail requires huge capital expenditure and hence not feasible for small cities. Personal mobility and shared mobility will also help to solve intra-city transport problem but they are not effective mode to reduce the urban congestion as the increase in personal mobility and shared mobility will increase traffic.

Bus transport is highly flexible, less capital intensive and effective mode to reduce traffic on road. This will drive the Bus transportation in Intra-city. As of now private stage carriage is operating only on those routes where State/municipal transport undertakings are not operating or by entering into contact with STUs for specific routes. As the STUs are unable to meet the demand and abolishing permit raj will help private operators to expand into private stage carriage.

### Staff carriers

Corporates provide bus services to their employees to make it easier for them to travel to work. IT and BPO services, which is a labour intensive sector has traditionally provided buses services to most employees. Employment in the IT & BPO sector has grown at 4.89% CAGR in the last five years. At end-FY 2018, 38.61 lakh employees were employed in the IT & BPO sector.

Another segment supporting the demand for staff buses is the manufacturing sector. Many of the manufacturing units are set up far away from cities and villages for health and safety reasons, which make it difficult for employees/workers to reach work location where staff buses are provided as a convenience by the company. Manufacturing sector employs

12% of the nation's labour force; and is currently performing below its potential level. The penetration of staff buses in manufacturing sector is very low compared to the IT and BPO sector due to which there is significant room for growth which has kept staff bus demand going.

### **Schools and educational institutes**

In India, the education industry can be classified into two categories: K-12 school education (kindergarten to grade 12) and higher education (including graduation and post-graduation courses).

Public sector institutions primarily cater to households that cannot budget for children's education. A majority of these schools are run by state governments in conjunction with local bodies. Government expenditure (budgeted) on education has increased at 5% CAGR over the past four years (FYs 2014 to 2018). Public expenditure on education constituted 4.1% of GDP in 2014, which was on par with rest of the world. However, India also boasts of a larger target population (below 20 years) of 38%, compared with the world average of 34%. Further, a larger share (75-80%) of public expenditure goes towards maintenance of the existing infrastructure, leaving fewer resources for expanding capacities.

The slow pace of capacity creation for government schools has increased enrolment in private institutions, especially in the elementary segment. This shift is also aided by rising awareness, and growing demand from the middle-class and above households for quality education, rapid urbanisation, change in demographic profile, etc.

Average number of students per institution in government elementary schools is estimated at only ~105 compared with ~215 in private elementary schools in FY 2018. Between FYs 2013 and 2018, the share of government schools in total elementary schools is estimated to have declined by ~230 basis points to 73.6% in 2017-18, while the share of enrolment in government schools to total enrolment in all schools (for the elementary grades) declined by ~510 basis points to 57.5%. According to NSSO (National Sample Survey Organisation) reports, the average education expenditure per student has grown at 18% CAGR during 2008 to 2014, relatively faster than the growth in incomes. CRISIL Research believes that rising income of households will further boost demand for private schools.

### **School bus norms – opportunity for reputed players**

The government has introduced regulation for the construction of school buses which specifies the colour requirement, additional safety features such as GPS location tracking, speed governors limiting maximum speed, handrail and handhold for service doors, emergency exits, hazard warning on door locks etc.

Apart for these, school bus operation norms have also been specified by the Honourable Supreme Court of India which requires a Transport Manager in charge of the operations. The bus needs to have a conductor, a lady passenger on the bus and physical fit driver with at least 5 yrs of heavy vehicle driving experience and involvement of school authorities to ensure that safety precautions are implemented.

Private operators enter into a contract with private schools to provide bus service to students to and from schools, and for picnics and outings. The safety norms will make school authorities more likely to provide contracts to reputed players with experience and a good clean track record of operating buses.

For larger schools entering into a contract with an operator for managing its school bus fleet is preferable as the school avoids upfront capital costs, recruitment of drivers and conductors and maintaining buses which is handled better by fleet operators who have experience in this field. While most schools were built around residential areas where travel distances were less than 10kms, new schools and institutions coming up around the outskirts of a town due to lack of adequate space within city limits.. Hence the distance of travel could be much higher than 10kms increasing the need for efficient and reliable bus services.

### **Regulatory environment and emerging trends**

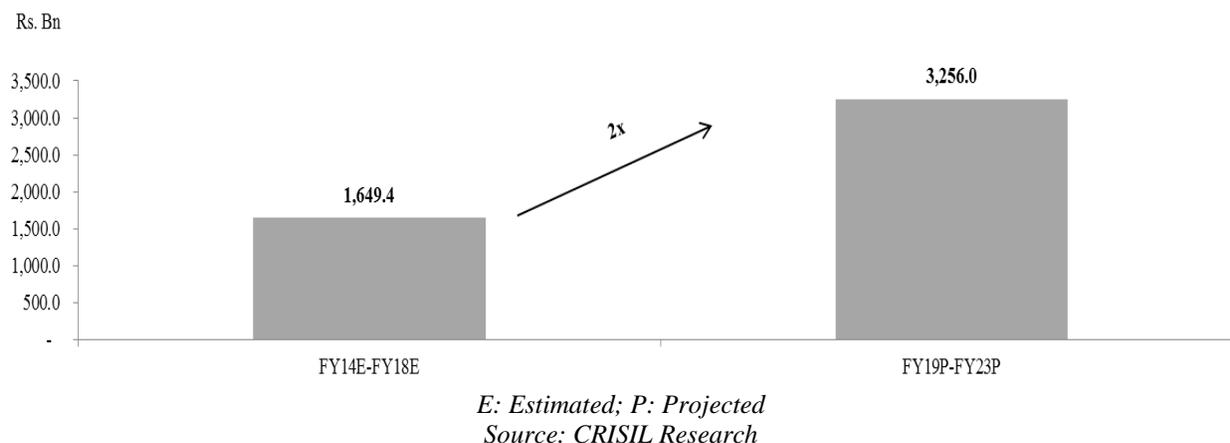
#### **Increasing investments to improve urban infrastructure**

Urban infrastructure encompasses the construction-intensive mass rapid transit system, BRTS, water supply and

sanitation projects, smart cities, and related infrastructure development.

The Government of India has put thrust on urban infrastructure spend. It approved a budget of Rs 480 billion for the development of 100 smart cities over 5 years beginning FY 2017, with a focus on adequate and clean water supply, sanitation, solid waste management, efficient transportation, affordable housing for the poor, power supply, robust IT connectivity, e-governance, safety and security of citizens, health, and education.

### Construction spend in urban infrastructure (current prices)



In the following sections, we examine the objectives and working of some key urban infrastructure development programmes of the government and assess its implications for the transport sector.

### Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

In May 2015, the government approved the replacement of the Jawaharlal Nehru National Urban Renewal Mission with AMRUT, to focus on basic infrastructure services such as water supply, sewerage, storm water drains, transport, and development of green spaces and parks.

AMRUT covers 500 cities and towns with a population of over one lakh, administered by notified municipalities.

#### Fund allocation

The total outlay for AMRUT is Rs 500 billion for 5 years (FYs 2016 to 2020). The Mission is being operated as a central sponsored scheme.

#### AMRUT components

- i. Ferry vessels for inland waterways (excluding port/bay infrastructure) and buses
- ii. Footpaths/walkways, sidewalks, foot over-bridges, and facilities for non-motorised transport (e.g. bicycles)
- iii. Multi-level parking
- iv. BRTS

#### Impact of AMRUT

The focus of the Mission is on infrastructure creation that has a direct link to provision of better services to the citizens. Once the reforms envisaged in AMRUT are implemented, it is expected to bring in improvement in service delivery, provide efficient urban mobility and public transportation, robust IT connectivity, safety and security of citizens and sustainable urban environment. The Mission can create a positive impact for public transportation system as it ensures to increase the amenity value of cities by developing greenery and well maintained open spaces e.g. parks and reduce pollution by switching to public transport or constructing facilities for non-motorized transport e.g. walking and

cycling.

The Mission also includes Fund allocation towards Bus rapid transit (BRTS) public transportation system which includes roadways that are dedicated to buses, and gives priority to buses at intersections can encourage people to travel through this public transportation because of the increase in reduction of travel time.

### **Bus Body Code**

This code directs bus body builders to follow uniformity in design and seating arrangements to ensure safety and comfort of passengers. Under the regulation, bus manufacturers have to incorporate the following safety measures in all buses:

- Hammers at all emergency windows
- Two fire extinguishers per vehicle
- Hydraulic doors that can be opened from inside, with or without power
- Easier accessibility for those with limited mobility
- Public address systems

These measures are implemented to enhance the quality of buses, provide convenience and safety to passengers travelling by buses. These are however expected to increase the cost for bus manufacturer and will make it harder for smaller bus body builders to comply with regulations which will benefit larger bus body builders.

### **Bharatmala**

Bharatmala Pariyojana is an umbrella project that aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the following categories: national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads, feeder roads, etc.

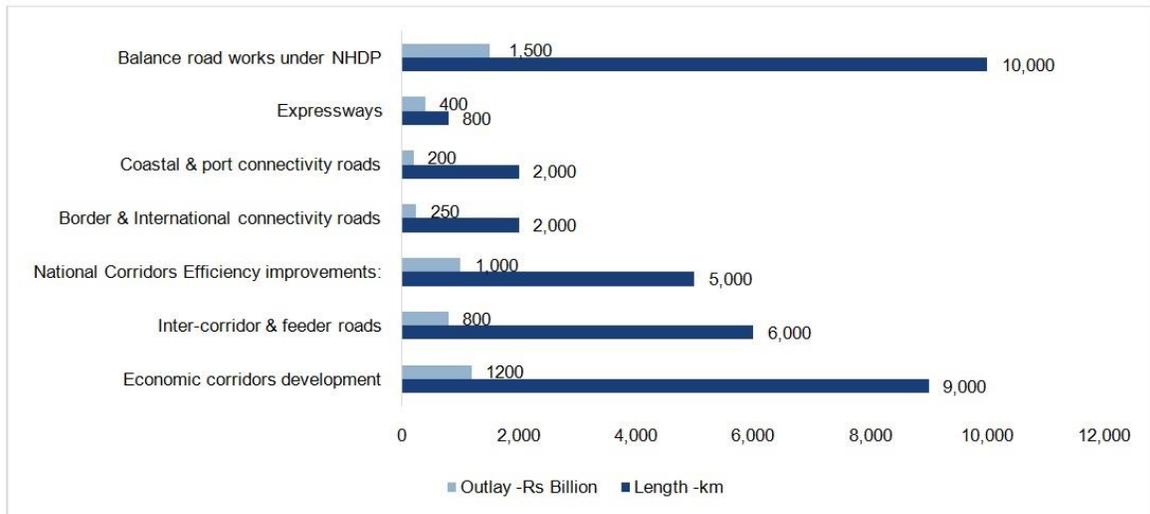
Phase-I of Bharatmala will include construction of 24,800 km in the next five years, along with 10,000 km of the remaining road works of NHDP. This, along with the projects currently undertaken by the ministry, could require a total outlay of Rs 6.9 trillion up to Fiscal 2022.

The construction of 34,800 km of highways is expected to be implemented between FYs 2020 and 2022. This is three times the construction seen in the past 5 years, when 10,500 km of highways were constructed.

Also, the past 2 years have seen rising interest from mid-sized players. Most larger companies that were earlier active have been subdued of late owing to sustained financial distress.

The execution performance of these relatively new players and the on-ground implementation of the reforms initiated by the government to improve execution will determine the ability of these players to be a part of this programme.

### Components of Bharatmala Pariyojana (Phase - I)



Source: india.gov.in, CRISIL Research

Bharatmala also envisages building 3,300 km of border roads of strategic importance along international boundaries and 2,000 km of international connectivity roads to promote trade with Nepal, Bhutan, Bangladesh, and Myanmar. Of 3,300 km ~2,000 km will be taken up under Phase - I at an estimated cost of Rs 250 billion.

### Focus areas for Bharatmala which will pave way for an improved highways network



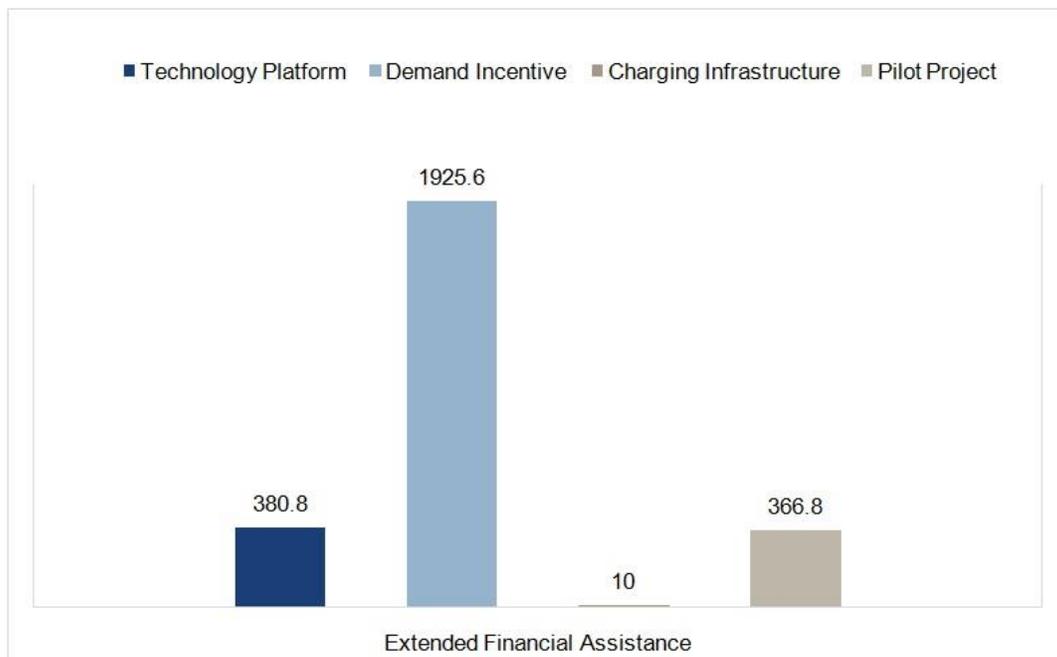
Source: CRISIL Research

### National Mission on Electric Mobility

The Government of India approved the National Mission on Electric Mobility in 2011 unveiled the National Electric Mobility Mission Plan 2020 in 2013.

This was a culmination of a comprehensive and collaborative plan for promoting hybrid and electric mobility in India. The combination of policies aim to gradually ensure 6-7 million electric/hybrid vehicles in India by 2020, along with a certain level of indigenisation of technology ensuring India's global leadership in some vehicle segments.

### Financial assistance extended under FAME India (Rs Million)



Source: Ministry of Heavy Industries and Public Enterprises

As part of this mission, the Department of Heavy Industry formulated a scheme viz., Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME-India). It is a composite scheme involving demand-side incentives to facilitate acquisition of hybrid/electric vehicles along with provision of supply side incentives. A cumulative outlay of US \$ 2.15 billion was planned for building such a roadmap. Financial support under different focus areas of the FAME India scheme since its inception on April 1, 2017 is shown in the figure above.

Currently, under FAME India- I, the government is offering an incentive to buyers on the purchase of strong hybrid and electric cars, two-wheelers and three-wheelers. Vehicle owners can get incentives ranging between ₹ 1,800 to ₹ 29,000 on the purchase of battery operated scooters and motorcycles, depending on technology. While for electric three-wheeler buyers, the incentive scheme starts from ₹ 3,300 going up to ₹ 61,000. The subsidy money is claimed by auto manufacturers at the end of each month, from the government.

For FAME 2.0 which is currently under discussion, the Finance Ministry is likely to approve ₹ 4,000 crore which will be used for offering incentives to owners who buy a hybrid or electric vehicle in India. The subsidy allocation was determined at a gathering between the Expenditure Secretary and his counterpart from the heavy trade ministry held on August 1, 2018. The subsidy to be provided for each vehicle segment and criteria for eligibility is still under discussion, the details of which are eagerly awaited by the industry.

The Centre is also making efforts to lessen the cost of lithium-ion batteries used in electric vehicles.

#### The electric vehicles market in India

The government's ambitious National Electric Mobility Mission Plan 2020 envisages achieving 6-7 million sales of hybrid and electric vehicles by 2020. However, a series of flip-flops on policy and insufficient charging infrastructure are the main challenges in achieving the target. Yet, even 30% penetration of electric vehicles by FY 2030 will mean a market in excess of 3 million with zero tail pipe emissions and over 7 million vehicles with conventional combustion engines that will be much cleaner with BS VI emission norms. This will ensure that vehicle makers invest in all forms of power train.

In March 2015, Parliament passed an amendment to the Motor Vehicles (Amendment) Bill, 2015 legalising e-

rickshaws. By July 2015, battery-operated rickshaws were available for travel in many cities, now certified to ply with registration number plate issued by the regional transport offices, and with insurance.

Supporting the government in its mission is Mahindra Electric Mobility, which is planning to partner with fleet operators and cab aggregators such as Zoomcar, Ola, and Uber that plan to introduce electric passenger vehicles to their fleet. Currently, Mahindra is the only automaker to sell electric cars in India and has the Mahindra eVerito sedan and Mahindra E20 electric car on sale along with eSupro electric cargo and passenger van.

The company has recently tied up with Bengaluru-based Zoomcar India Pvt Ltd, which lets out cars without drivers and is looking to build a fleet of 2,000 electric cars by the end of the calendar year 2018, from 300 at present.

Softbank-backed cab aggregator Ola has also announced plans to add 10,000 electric vehicles (a majority being e-rickshaws) to its platform over the next 12 months as part of its 'Mission Electric'. It is aiming to get one million electric vehicles on its platform by 2021.

### **Charging infrastructure**

Currently, the charging infrastructure required for electric vehicles in India is not in place. With a slew of regulations and norms that the Indian automotive industry has seen in the past few years, Original equipment manufacturer (OEMs) are skeptical of investing in electric vehicles unless clarity in government policy and a road map addressing the key issues are in place.

The government has come up with norms to standardise the charging interfaces in the country for electric vehicles which will help in reducing costs and increase interoperability. The norms have been drafted for fast as well as slow chargers and named as Bharat AC/DC standard. The government has floated tenders to procure chargers for their 10,000 EV's ordered for government officials recently. More such tenders are being floated to procure chargers which will be installed across the country at government offices.

All this is expected to lead to adoption of environment-friendly technology and also reduce dependence on fuels. Implementation of the National Electric Mobility Mission Plan 2020 and other policy initiatives by the government to address infrastructure-related issues are key monitorables for the sector over the next 5 years.

### **Non-motor transport and shared mobility**

Non-motorised vehicles include bicycles, tricycles, and horse-drawn carriages. It is the primary mode of transport for the urban poor, being inexpensive. At same time, it is a climate- and environmental-friendly form of transport, leading to lower congestion and health benefits. This mode is mostly used for short-distance trips. Some municipalities operate bicycle share systems as a public service, paying for the initial investment, maintenance and operations, if it is not covered by other revenue sources.

### **Bike sharing in India**

Bicycles have been used in India extensively for a long time with the iconic "ghoda" used by street vendors and in used in rural areas. However, the infrastructure in India for non-motor transport has failed to keep up with road development. In many developed countries there are dedicated lanes for people who skate, bike and walk which have spurred the growth of shared scooters (electric), hybrid cycles and conventional cycles with technological development and app based payment systems.

The cost of ownership is very low for modes of transport in non-motorised segment; there is no fuel cost, no insurance cost, and very low investment and maintenance cost. It is the cheapest mode of transport in the world and is preferable for short distances which would help reduce the traffic congestion in cities.

Bicycle-sharing also called bike sharing is popular in many countries such as USA, China, Italy, Germany, etc. Many bike share systems allow people to borrow a bike from a "dock" and return it at another dock belonging to the same system. Docks are special bike racks that lock the bike, and only release it by computer control.

In India the trend towards urban bikes have started picking up and many companies are offering high quality, premium cycles for the urban consumer who are looking a bicycles as a recreation vehicle. On the infrastructure side we also see initiatives by governments to develop bike and jogging tracks in some cities like Mumbai and Bhopal to ease congestion in the cities.

Bike sharing has also arrived in India with Ola launching Ola Pedal (in pilot stage), Zoomcar’s PEDL, and Amit Gupta’s (co-founder of InMobi) Yulu. Mobyicy and WheelStreet also launched dockless sharing services in India. In September 2016, Nextbike (a German bicycle startup) has sealed an exclusive joint venture with Ahmedabad-based transport company Chartered Speed to launch digital cycle sharing services in about 100 Indian cities.

Although owning a bicycle is cheaper than renting in the long run, most people find it difficult to travel long distances on their own bicycles apart from time consideration. This has relegated bicycles to mostly recreational use. Bike sharing works well for short distance rides where public transport is not available and is ideally suited to complement mass transport such as buses. The advent of mobile app technology for payment and identification of available bicycles has made it very convenient as eco-friendly mode of transport.

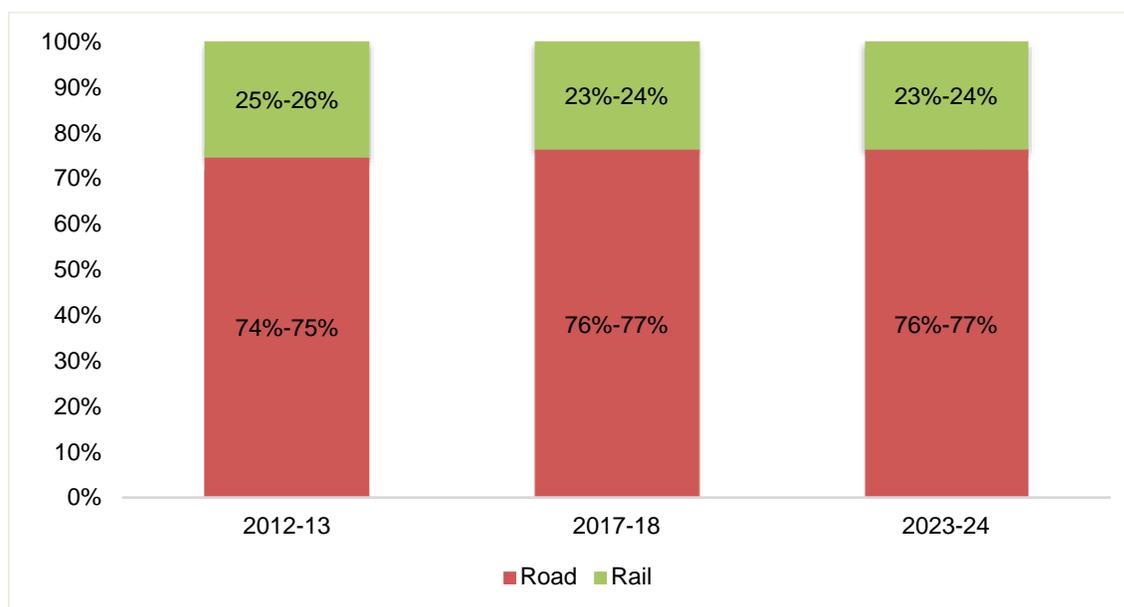
**Bus transportation long term outlook**

Bus transportation is the backbone of India’s passenger mobility. The development of infrastructure and roads has led to connectivity of remote places. With more and more people availing of bus services, this has greatly contributed to the growth of the bus industry.

**Road versus rail**

Road transportation has always dominated passenger mobility not only in India but also abroad. However, both road and rail have their respective advantages and disadvantages, creating a unique modal mix for passenger surface transport.

**Estimated Share of surface mobility (billion passenger km)**



Source: CRISIL Research

Over the past five years railways have steadily lost share of passenger transport to road due to improvement in road infrastructure while railways have been losing passengers to both road and airways on longer distances.

After decades of under-investment, the railways sector is finally going through a much needed course correction. In

the past 2 years, the government has set in motion numerous measures to realise the sector's potential as the next growth engine of the economy. It has allocated capital expenditure of ₹ 1,485.28 billion for FY 2019, as against ₹ 710 billion for roads.

The railways has focused on building high speed corridors for freight, tuning up the average speed of trains, electrifying routes, doubling/creating new lines, and passenger safety. Though the Indian Railways is aggressive on building infrastructure, it is currently running at 40% overstretched line capacity, whereas 80% use of tracks is considered ideal.

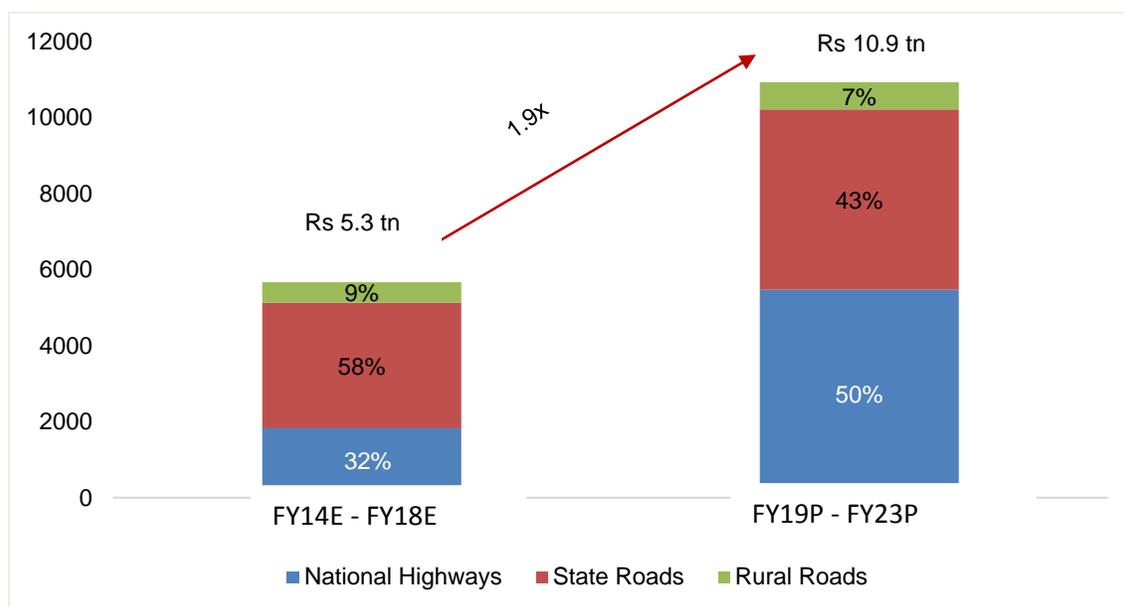
Going forward with investments in railway infrastructure and easing of capacity constraints the fall is likely to get arrested but the share lost to road will not revert to rail. CRISIL Research expects the modal mix of road and rail to remain similar in the next 5 years, as the railways has some distance to go in terms of capacity building, safety, and connectivity. India is seeing high growth and rising standards of living which may bring higher modal share for convenient transport. However, both road and rail appear to be upgrading on this front.

### Road transport outlook

CRISIL Research expects investment in road projects to grow at a healthy pace in the next 5 years, led by the government's focus on infrastructure-related sectors. Investment would largely be driven by public funds through engineering, procurement, and construction and hybrid annuity model contracts, as private participation in the sector remains muted. We expect investment in road projects to increase 1.9 times to ₹ 10.9 trillion, with investment in national highways growing the fastest, at about three times.

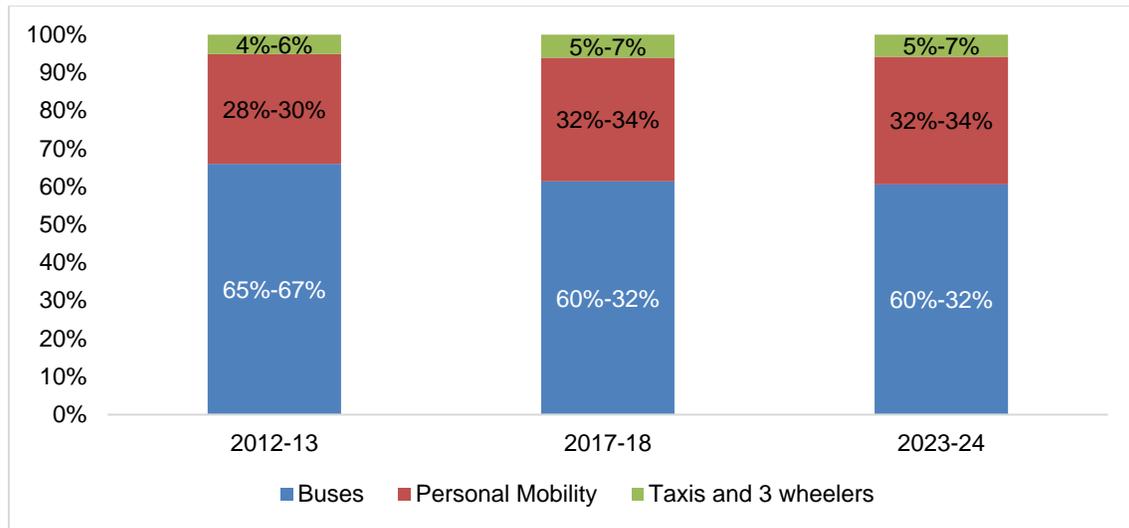
Infrastructure development and rise in disposable incomes leading to higher vehicle penetration may bring changes in road transport, mainly intra-city passenger mobility. In the past 10 years, two-wheeler sales have grown rapidly, bringing about a shift in the intra-city mobility modal mix. As economic growth sustains, a rise in personal as well as shared mobility will result in diffusing the rising burden on bus transportation.

**Comparison of past and future road investments (Rs trillion)**



Source: CRISIL Research

### Modal Share of different vehicles in Road transport



Source: CRISIL Research

The modal share of vehicles is not expected to change significantly by FY 2023. The higher growth in 3W due to abolishment of permits is expected to be offset by higher growth in personal mobility driven by scooters and UV. Bus demand is also expected to increase rapidly from a low base of FY2018.

#### Personal mobility

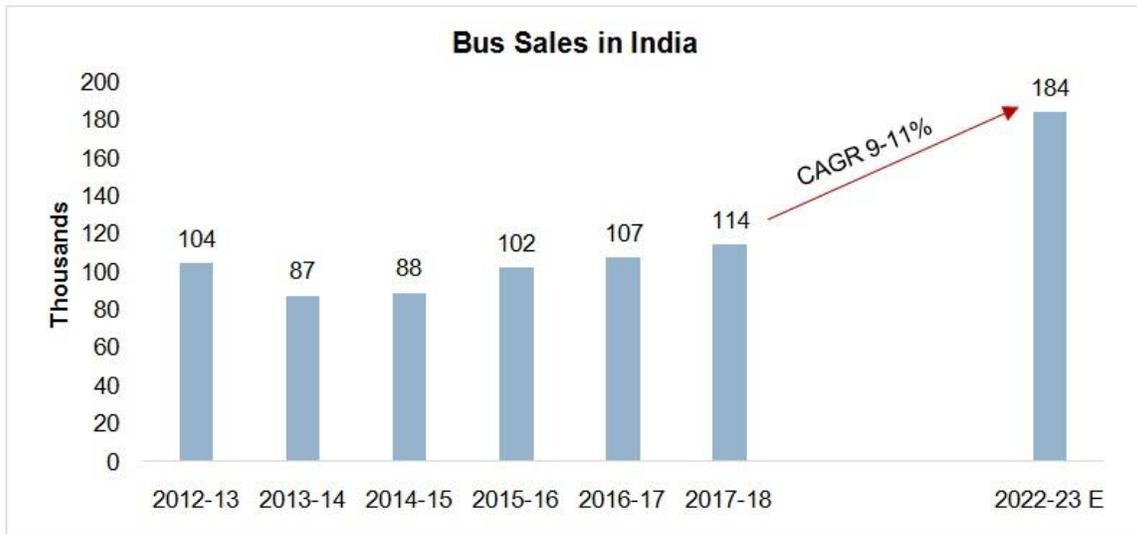
The economy appears to have returned to recovery mode after the transitory disruption from GST implementation. Rising disposable incomes and the relatively stable cost of vehicle ownership owing to steady fuel oil prices (albeit, the current upward trend), will boost demand for personal mobility in the coming years. Other factors aiding demand are: rising urbanisation, Finance Commission payouts, and easy availability of finance.

CRISIL Research expects domestic two-wheeler sales to record a robust 7-9% CAGR between FY 2018 and 2023. It also projects domestic car and utility vehicles sales to race at 8-10% CAGR (4% CAGR in previous 5 years). The rise in sales of personal mobility vehicles will result in overall personal mobility growth of 4.85% CAGR.

#### Share of various modes in bus passenger transport

CRISIL Research projects domestic bus sales to expand at 9-11% CAGR between Fiscals 2018 and 2023 due to increasing demand for inter-city/state travel, aided by better road infrastructure. The unregulated segment, which primarily caters to demand from schools, companies and inter-city travel by private operators, will remain the largest end-user. However, further expansion in bus sales would be impacted by the implementation of metro-rail and monorail in several cities.

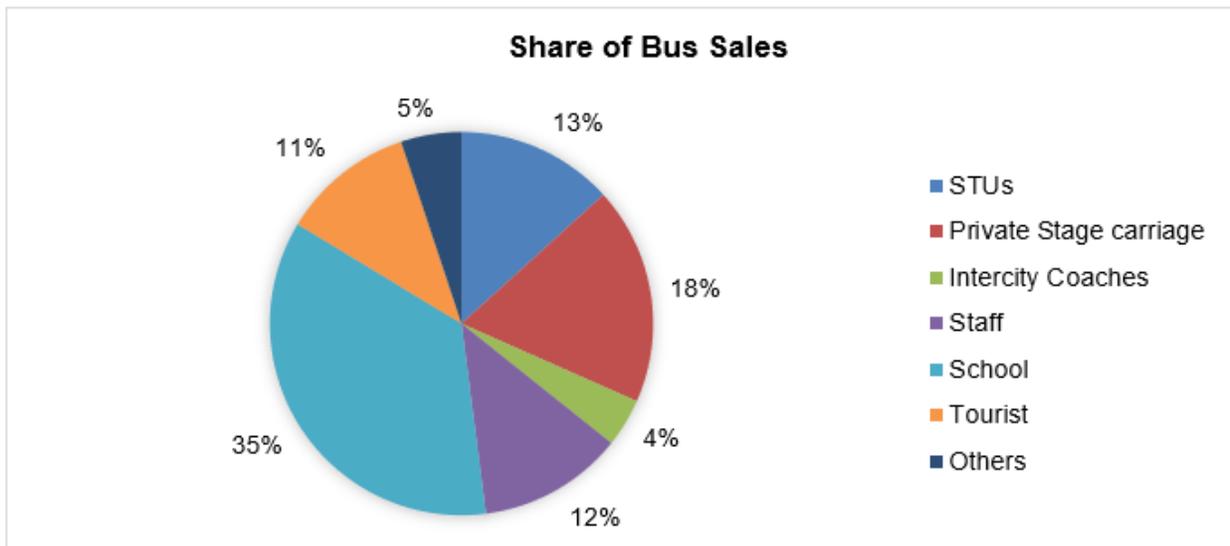
**Sales growth of buses**



Source: SIAM, CRISIL Research

The demand for buses comes from the following main end-use segments:

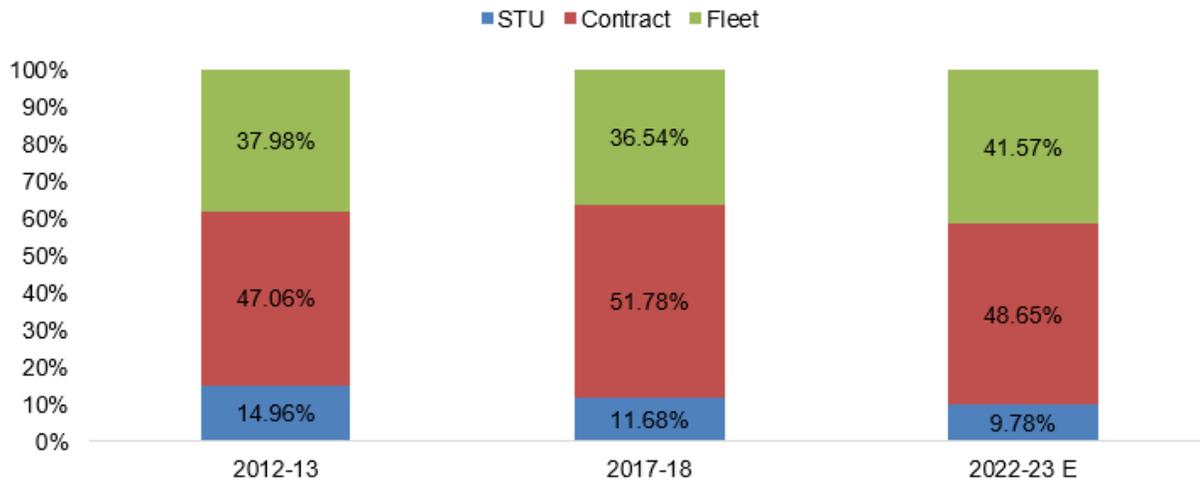
**Demand for Buses from End use segments**



Source: CRISIL Research

## Share of bus operators

### Bus population share in India



Source: CRISIL Research

Share of various segments of bus operators are expected to change marginally due to:

- **STUs** – STU transport is already struggling to fulfill the demand cause of financial stress. As government plans to abolish permits will reduce share of STUs in many cities and fleet operators are expected to gain higher modal share in future. As the City's population is increasing and young population joining as working age population will push the demand for STUs but in absence of capital investments and financial instability STUs will fail to fulfill the demand. CRISIL Research expects that STUs will grow at a CAGR of 5% to 7% between FY2019-2023.
- **Contract operators** – Contract operators have strong growth opportunity in near future with increase in private schools and student enrollment. Staff operators will also see growth but at lower rate as growth in employment in IT and BPO industry is slowing and minimal demand of employment from manufacturing. CRISIL Research expects that contract operators will grow at a CAGR of 8% to 10% between FY2019-2023.

**Fleet Operators** – Fleet operators will see high growth at a pace of 13% - 15% as the tourism in India and abolishing permit raj for intra-city operations. CRISIL Research expects that Fleet operators will grow at a CAGR of 13% to 15% between FY2019-2023. Improvement in road infrastructure and introduction of luxury buses have put more cities within the reach of overnight travel and better quality of rides is in such buses are they key drivers for fleet bus demand

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors affecting our Results of Operations” on pages 19 and 310, respectively of this Draft Red Herring Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 203 of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Chartered Speed Limited on a consolidated basis and references to “the Company” or “our Company” refers to Chartered Speed Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Passenger Transport Industry in India” released in August, 2018 (the “**CRISIL Report**”) prepared and issued by CRISIL commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are engaged in the business of providing passenger mobility solutions across various modes of surface transport in India with an operational fleet of over 750 passenger vehicles and over 430 Smart Bikes. We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations (*Source: CRISIL Report*). We provide inter-city passenger mobility solutions through our bus operations largely focused in Central and Western India with an expanding footprint in Northeastern India. We also provide services to state transport undertakings (“STUs”) for their intra-city passenger mobility operations in the form of city buses and bus rapid transit system (“BRTS”). Further, we also provide passenger mobility solutions in three other business segments, which are: (i) school buses and staff buses for corporate customers, (ii) automated public bicycle (“**Smart Bike**”) sharing system and (iii) rental and self-drive cars. With a focus on strategic backward integration, we have developed an in-house body designing and building facility for the buses for our own use and for supply to third parties including STUs.

We commenced our operations in Fiscal 2010 with a fleet of 15 buses in the intra-city segment for BRTS Ahmedabad) and have grown our fleet to a total of over 700 operational buses in our inter-city and intra-city segment, as well as our school and staff buses as on August 31, 2018. Further, as on August 31, 2018, our fleet also comprised of over 430 Smart Bikes and over 45 rental and self-drive cars. For details of our fleet, please see “- *Bus Fleet*” on page 159 of the Draft Red Herring Prospectus. However, our operations are primarily focused on our inter-city bus operations in which we serviced over 2.44 million passengers and our intra-city operations which covered over 34 million kilometres, in Fiscal 2018. We believe that owning the majority of our operational fleet enables us to significantly reduce hiring and operational costs and provide reliable services to a large addressable market across a broad geographic spectrum.

We provide inter-city passenger mobility solutions through our widespread transportation network, which spanned across a total of 26 cities in the state of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra, as on August 31, 2018. For our inter-city passenger mobility operations, we operate over 120 buses driven by over 250 drivers who are in the full-time employment of our Company. In this segment, our buses serviced over 2.44 million passengers in Fiscal 2018 over several routes covering cities with high density urban commuter markets such as Indore, Ahmedabad, Pune,

Mumbai, Jaipur and Bhopal among others. We also connect metropolitan, tier-II and tier-III cities, such as Bhubaneswar, Udaipur, Ratlam, Jabalpur, Shirdi, Jamnagar and Kota. Additionally, we have recently entered into an agreement with the Assam State Transport Corporation (“ASTC”) for operation of buses for inter-city transport between certain cities in Northeastern India. Majority of our buses covering inter-city routes are equipped with amenities such as Wi-Fi, charging points, reading lights, CCTV cameras and GPS tracking services.

The ticketing facilities for our inter-city passenger mobility operations are provided by us through various channels such as our website [www.charteredbus.in](http://www.charteredbus.in), mobile application ‘Chartered Bus’, our own branch offices, as well as through online travel agents. Using our website, customers can review the availability and fares of tickets of any route and stoppage of our buses and book the tickets. Our mobile application is available for customers allowing them to manage bookings. We have also set up a dedicated control room in Indore for our inter-city operations which:

- provides for the tracking and managing of services for the fleet deployed;
- allows us to co-ordinate responses for break-downs;
- enables the managing of call center operations for customer booking & complaints.

As regards our intra-city operations, we are one of the leading players in the segment and provide passenger mobility solutions to Ahmedabad Janmarg Limited (“AJL”) and to Atal Indore City Transport Services Limited (“AiCTSL”) for their bus rapid transit system (“BRTS”). Additionally, we are also one of the city bus service providers to AiCTSL, as well as the Ahmedabad Municipal Transport Services (“AMTS”) and Surat Municipal Corporation (“SMC”). Our intra-city operations have been ongoing since the Fiscal 2010. In this segment as on August 31, 2018 we had over 550 operational buses including over 205 buses for BRTS operations and over 340 buses for other intra-city operations. For Fiscal 2018, buses operated by us as part of intra-city operations covered over 34 million kilometres.

Additionally, we have recently forayed into a public Smart Bike sharing system. Our Smart Bike sharing operations are currently functional in Bhopal, with a fleet of over 430 Smart Bikes as on August 31, 2018. Our customers can locate our designated bike stations and rent our Smart Bikes from one of 88 docking stations in Bhopal using our mobile application called ‘Chartered Bike’. We are currently also setting up operations in Ranchi under a service contract agreement with the Ranchi Smart City Corporation Limited (“RSCCL”) for supply and management of a fleet of 1,200 Smart Bikes.

In addition to our inter-city and intra-city passenger mobility solutions, we provide student transportation services to schools in Ahmedabad in the form of school buses. Further, we also provide staff bus services which cater to the passenger mobility needs of various corporates. Majority of our school and staff buses are equipped with LCD screens, CCTV cameras, fire extinguishers and GPS tracking systems for ensuring the safety and comfort of passengers. Additionally, we are also involved in the car rental services segment.

We have developed an in-house bus body designing and fabrication facility at Ahmedabad. We also perform periodic preventive and remedial maintenance of our buses at this facility. By virtue of our in-house bus fabrication capabilities, we are also able to provide buses with the bodies customized as per the technical requirements of our customers. We believe that this gives us an edge over our competitors in the passenger mobility industry, who supply standard built buses. In the last three Fiscals, we built a total of 475 buses, of which 276 were for our operations and 199 were for third parties.

Our management team is led by our Promoter and Managing Director, Pankaj Kumar Gandhi who has over twenty three years of experience in the industry. As on August 31, 2018, our Company had 2,562 employees, out of which 1,240 are drivers. We recruit drivers based on our internal selection and screening process wherein we check their driving experience, government documents like driving license, police verification, Aadhar and other personal evaluations, including physical examinations, before recruitment. Our employees are integral to our business, which requires a strong and dedicated workforce spread across a total of 26 cities for consistent smooth operations.

For the Fiscals 2018, 2017, 2016, 2015 and 2014 our consolidated revenue from operations was ₹ 2,562.76 million, ₹ 2,370.01 million, ₹ 2,013.42 million, ₹ 1,515.98 million and ₹ 1,078.86 million respectively. Our revenue from operations has grown at a CAGR of 18.89% during Fiscals 2014 to 2018. In Fiscals 2018, 2017, 2016, 2015 and 2014

we recorded EBITDA of ₹ 499.13 million, ₹ 461.20 million, ₹ 430.16 million, ₹ 279.22 million and ₹ 177.11 million respectively. For Fiscals 2018, 2017, 2016, 2015 and 2014 our net profit was ₹ 124.36 million, ₹ 141.48 million, ₹ 108.18 million, ₹ 68.41 million and ₹ 26.82 million, respectively. Our net profit has grown at a CAGR of 35.91% during Fiscals 2014 to 2018.

## Strengths

We believe that the following are our primary competitive strengths:

### *De-risked business model*

We deliver a diverse offering of passenger mobility solutions to individual and institutional customers across Central and Western India including inter-city bus transportation, intra-city bus transportation, public Smart Bike sharing as well as car rental services. In the inter-city segment, our buses operated across over 190 different schedules while servicing over 2.44 million passengers in Fiscal 2018 alone. Further, our intra-city operations are carried out by a fleet of over 550 buses covering over 34 million kilometres in Fiscal 2018. In addition to our bus transport operations, we are also involved in the car rental services segment and public Smart Bike sharing services segment. Our comprehensive range of services enables us to access additional business opportunities in the passenger mobility industry from our existing customers as well as to address the requirements of a larger base of potential new customers. We believe that our diverse mix of operations reduces reliance and dependence on one particular mode of revenue, thereby reducing the risk of any material adverse effect on our business due to any adverse impact on any of our business verticals.

We also have a number of different contract models with different customers, such as Gross Cost Contract, Net Cost Contract and Ticket Revenue Model. The difference in the models lies in the form in which a contract is awarded, the ownership of the buses and the revenue source. The variety of our models with different customers reduces dependency on any one customer for revenue, besides reducing the impact of macro environmental policies on our Company.

For the Fiscal ended March 31, 2018, our revenue was ₹ 2,562.76 million of which ₹ 904.67 million or 35.30% was attributed to our inter-city passenger mobility operations, ₹ 1,510.87 million or 58.95% was attributed to our intra-city passenger mobility operations, ₹ 28.38 million or 1.11% was attributed to our school bus and staff buses for corporate customers transport operation and ₹ 23.75 million or 0.93% was attributed to rental and self-drive cars for corporates and public Smart Bike sharing.

### *High visibility of revenue*

We provide services to intra-city passenger mobility operations for city buses and bus rapid transit system for state transport undertakings. We are one of the bus service providers to AJL and to AiCTSL for their bus rapid transit system. We are also one of the city bus service providers to the AMTS and SMC. Majority of our contracts with STUs for our intra-city operations are valid for a period of between 5 to 7 years including a possibility of extension. The table below sets out the tenure of a few of the various contracts in intra-city bus operations as on August 31, 2018:

| Sr. No. | Client Name | Contract type              | Date of Agreement* | Average term of contract |
|---------|-------------|----------------------------|--------------------|--------------------------|
| 1.      | AiCTSL      | GCC with owned fleet       | February 28, 2014  | 5 years                  |
|         |             | NCC with owned fleet       | April 27, 2018     | 7 years                  |
| 2.      | AJL         | GCC without ownership      | January 19, 2015   | 8 years                  |
| 3.      | SMC         | GCC with partial ownership | October 25, 2016   | 7 years                  |
| 4.      | AMTS        | GCC with owned fleet       | April 25, 2014     | 6 years                  |

*\*The commencement of the term of most of our contracts is effective from the date of the deployment of the last operational bus under that agreement, and hence, the date of the agreement is only an indication for the date of commencement of the term of the contract.*

The revenue generated from our intra-city operations represented 58.95% of our revenue from operations in Fiscal 2018. With our long term contracts and annual income from operations, we believe we enjoy a high degree of visibility of revenue.

Majority of our contracts with STUs for our intra-city bus operations are valid for a period of between 5 to 8 years with a possibility of extension for another 1 or 2 years at the discretion of the contracting STU. While we are largely dependent on passenger revenues in our inter-city bus operations, we believe our long term contracts provide higher certainty to our revenue projections. Under our Ticket Revenue Model, we have high degree of flexibility to expand which helps us to be responsive to changing market dynamics. In addition to our existing ongoing contracts, we have also recently entered into an agreement with ASTC for operation of buses for inter-city transportation purposes in some cities in the Northeastern India such as Guwahati, Shillong, Itanagar etc. We have also been awarded a letter of intent by the Gujarat State Road Transport Corporation (“**GSRTC**”) for deployment of 50 high end buses, which we have accepted.

We believe that with our existing ongoing contracts having a reasonable residual period from the date of this Draft Red Herring Prospectus, and with new projects and routes being awarded to us, we have a high visibility of future earnings over the next few years.

### ***Large and established size and scale of operations***

We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations. *(Source: CRISIL Report)* The size, age and composition of our fleet have a significant impact on our financial condition and results of operations. Our results of operations are dependent on the availability of adequate number of quality buses for our customers. As on August 31, 2018, we operated a large fleet of vehicles comprising over 700 buses, over 430 Smart Bikes and over 45 rental and self-drive cars. Out of the buses we operated as on August 31, 2018, over 120 buses are engaged in inter-city operations and over 550 buses are engaged in intra-city operations and over 30 school buses and staff buses. We believe that the our large and diversified fleet, high density of operations in our areas of operations and our brand recall helps us to maintain high standards of customer service.

As we have grown, we have diversified our business geographically, with our operations spanning 4 states as on date of this Draft Red Herring Prospectus. With our diversification and the scaling of our operations, we have become one of the leading players among the fleet operators in India plying buses from one city to another with multiple pick-up points in one city and drop points in the destination city. The number of buses we operate increased at a CAGR of 33% between Fiscal 2014 to Fiscal 2018. Further, we intend to use part of the Issue Proceeds for the expansion of our fleet of passenger mobility vehicles.

We believe that our scale of operations helps us in terms of trade we enjoy from our various suppliers including vehicle OEMs, fuel suppliers and banks amongst others.

### ***Industry Understanding and proven track record in the passenger mobility solutions business***

Our Company has been involved in the passenger mobility solutions industry since Fiscal 2010 when we commenced our operations with a fleet of 15 buses. Over the years we have expanded our passenger mobility operations to over 700 operational buses in Fiscal 2018 which covered over 34 million kilometres in our intra-city operations and serviced over 2.44 million passengers in our inter-city operations.

We believe that our infrastructure and support system has been built upon years of learning and delivering, which gives us the positioning that our Company enjoys in the industry. We believe that our experience enables us to qualify for, analyse and estimate the return on investment for our operations. Additionally, we believe that our long standing relationships with our suppliers and customers, together with our past track record in the public and private transport business substantiate our commitment to quality and our experience in the industry. We believe that we qualify for and meet the most of the requirements for tenders floated by a wide array of STUs, in terms of operational track record, experience and financial capacity, which gives us an edge over our competitors and creates entry barriers for new players in the industry.

We believe that our track record has helped us build a reputable brand for over eight years, owing to our commitment to quality, reliability and timeliness of services offered. Our reputation can also be attributed additionally to our long presence in the passenger transport industry. This is attributable to our consistent liaisons with our customers, and their recognition of our constant efforts to improve the travelling experience for their passengers. We also maintain strong relationships with our suppliers, which enables us to leverage our position to negotiate with the said suppliers in order to secure fuel and other materials required for our business at competitive prices.

### ***Focus on operational cost efficiencies***

One of our primary focuses is on backward integration which reduces our costs and improves the efficiency of our buses. We have an in-house bus body fabrication facility in Ahmedabad which spans 3,379 square metres. Our bus body fabrication facility enables our operations to be backward integrated, which we believe helps us in reducing the cost of our vehicles, increase the life of our vehicles and reduce operational costs. It also allows us to cater to the precise and specific requirements of our customers in a timely fashion in terms of the size, shape and seating capacity of the buses. In order to optimize and control maintenance costs, we have implemented preventive maintenance schedules for each of our vehicles. In addition to our bus body fabrication facility at Ahmedabad, we also undertake servicing and maintenance operations at our facilities in Indore and Surat which reduce the expensive on-road repairs and out-of-route trips and minimize downtime due to breakdown, repairs and resulting service interruptions.

We also place a great deal of importance on cost efficiency, particularly maintenance costs and the fuel efficiency of our fleet. In Fiscal 2014, 2015, 2016, 2017, and 2018, calculated as a percentage of revenue from operations, fuel costs was 46.08%, 45.10%, 38.53%, 41.00%, and 39.78% respectively.

We believe that maintaining a young fleet will lead to better reliability in terms of vehicle performance, lower maintenance costs, improved fuel-efficiency and higher passenger appeal. The wide range of passenger buses in our fleet enables us to better serve the transportation requirements of various customer segments. Fuel costs depend on the fuel consumption and fuel prices. While fluctuations in fuel prices are beyond our control, we actively manage our fuel purchasing network in an effort to maintain adequate fuel supplies and reduce our fuel costs. Further, we try and purchase most of our diesel requirements for our buses at bulk rates directly from the refineries of our suppliers, which is then carried to our buses which are stationed at bus depots in mobile dispensers. This process of purchasing the diesel directly from the refinery under short-term arrangement allows us to maintain high profit margins and ensures that the quality of fuel provided to our buses is not compromised.

Additionally, our technology systems allow us to improve our service quality and consistency and increase operational efficiency. Our buses are equipped with GPS systems, which allow us to track the movement of our buses, helping us maximize utilization and deliver service quality. Passengers can book tickets for seats on our buses through our mobile application 'Chartered Bus', as well as through online travel agents. Further, our public Smart Bike sharing system is fully automated from start to finish. Our focus on the employment of modern technology across our operations helps us reduce operational costs and manpower costs.

### ***Strong track record of robust financial performance***

Our business growth during the last five financial years has contributed significantly to our financial strength.

| <b>Particulars</b>                    | <b>Fiscal 2014</b> | <b>Fiscal 2015</b> | <b>Fiscal 2016</b> | <b>Fiscal 2017</b> | <b>Fiscal 2018</b> | <b>CAGR (from March 31, 2014 to March 31, 2018)</b> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| Revenue from operation (₹ in million) | 1078.86            | 1,515.98           | 2013.42            | 2,370.01           | 2,562.76           | 18.89%  |
| EBIDTA (₹ in million)                 | 177.11             | 279.22             | 430.16             | 461.20             | 499.13             | 23.03%  |
| EBIDTA (%) of Revenue from operations | 16.42              | 18.42              | 21.36              | 19.46              | 19.48              | NA  |

| Particulars  | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | CAGR (from March 31, 2014 to March 31, 2018) |
|--|-------------|-------------|-------------|-------------|-------------|--|
| Restated profit after tax from the period (₹ in million)     | 26.82       | 68.41       | 108.18      | 141.48      | 124.36      | 35.91%                                       |
| Profit for the period (%) of the Revenue from the operations | 2.49        | 4.51        | 5.37        | 5.97        | 4.85        | 14.26%                                       |
| Debt to equity ratio   | 3.15        | 2.74        | 1.87        | 1.43        | 1.00        | NA   |

EBITDA increased at a CAGR of 23.03% from ₹ 177.11 million in Fiscal 2014 to ₹ 499.13 million in Fiscal 2018. Our return on net worth in Fiscal 2014, 2015, 2016, 2017 and 2018 was 28.65%, 42.28%, 36.65%, 32.22% and 21.33% respectively, on a consolidated basis. For further details, please see “*Summary Financial Information*” and “*Management Discussion and Analysis of Financial Conditions*” on pages 57 and 310 of this Draft Red Herring Prospectus, respectively.

We believe that our strong balance sheet and positive operating cash flows enable us to fund our expansion, pursue opportunities for investments in technology augmentation, and provide us a valuable competitive advantage in terms of access to working capital and credit terms.

#### ***Experienced and dedicated management team and workforce***

Our Company is led by a management team with vast experience in the passenger transport sector, and with an in-depth understanding of the requirements of on-road passenger mobility. We believe that our management’s substantial experience in dealing with every aspect of the business, from negotiations and liaisons with various potential customers including STUs, to designing and upgrading the vehicles to consistently improve performance, helps them manage the business and general administration of our Company on a day-to-day basis. Our management team is led by our Managing Director, Pankaj Kumar Gandhi, who has over twenty three years of industry experience and has been instrumental in expanding our operations and strengthening our positioning in the passenger mobility segment. Additionally, members of our management team possess complementary skills and have sizeable experience and knowledge of the passenger mobility business.

Our bus operations are significantly dependent on our ability to attract, recruit and retain a sufficient number of qualified and experienced drivers. As of August 31, 2018, we had 2,562 employees including 1,240 drivers across our various business verticals. We have followed a strategy of recruiting drivers as full time employees with a defined salary structure and incentive schemes. We believe that this has enabled us to develop our brand and address various industry risks over the years.

#### **Strategies**

##### ***Increasing density in our intra-city operations***

India’s population is growing at 0.96% CAGR, whereas cities are growing at much higher rate, e.g., Mumbai (2.15% CAGR), Delhi (2.03% CAGR), Bengaluru (2.15% CAGR), etc. Population of Tier-II and Tier-III cities is growing at a much higher rate, e.g., Pune (10.23% CAGR), Ahmedabad (5.47% CAGR), Indore (4.99% CAGR), etc. The need for public transport is increasing as the urban congestion is rising. As per census 2011, 31% of the population resides in cities which are expected to reach 39% by 2030. (Source: CRISIL Report)

Presently, government-designated BRTSs are operating in around 15 cities across India. BRTSs with segregated lanes are operating in Pune, Ahmedabad, Delhi, Indore, Rajkot, Surat, Bhopal and Jaipur. BRTSs are also operating in Vijayawada, Bhubaneswar, Amritsar, Vishakhapatnam, Jodhpur and Raipur. (Source: CRISIL Report)

In May 2015, the government approved the replacement of the Jawaharlal Nehru National Urban Renewal Mission with AMRUT, to focus on basic infrastructure services such as water supply, sewerage, storm water drains, transport, and development of green spaces and parks. Once the reforms envisaged in AMRUT are implemented, it is expected to bring in improvements in service delivery, provide efficient urban mobility and public transportation, robust IT connectivity, safety and security of citizens and sustainable urban environment. The Mission also includes Fund allocation towards Bus rapid transit (BRTS) public transportation system which includes roadways that are dedicated to buses, and gives priority to buses at intersections can encourage people to travel through this public transportation because of the increase in reduction of travel time. (Source: CRISIL Report) In light of the foregoing, we believe that we are in an advantageous position to augment our intra-city passenger mobility market share in the cities we presently operate in, as well as by penetrating tier-I and tier-II cities which will benefit from such fund allocation.

We intend to remain focused on intra-city operations on geographies where we operate. We already have a considerable presence in the intra-city public mobility operations in Ahmedabad, Surat and Indore. Our buses engaged in intra-city operations covered over 34 million kilometres in Fiscal 2018. We intend to continue to strengthen the density of our network by adding more buses in our existing key markets and selectively obtaining more contracts, to enhance the breadth of our service in a sustainable and profitable manner.

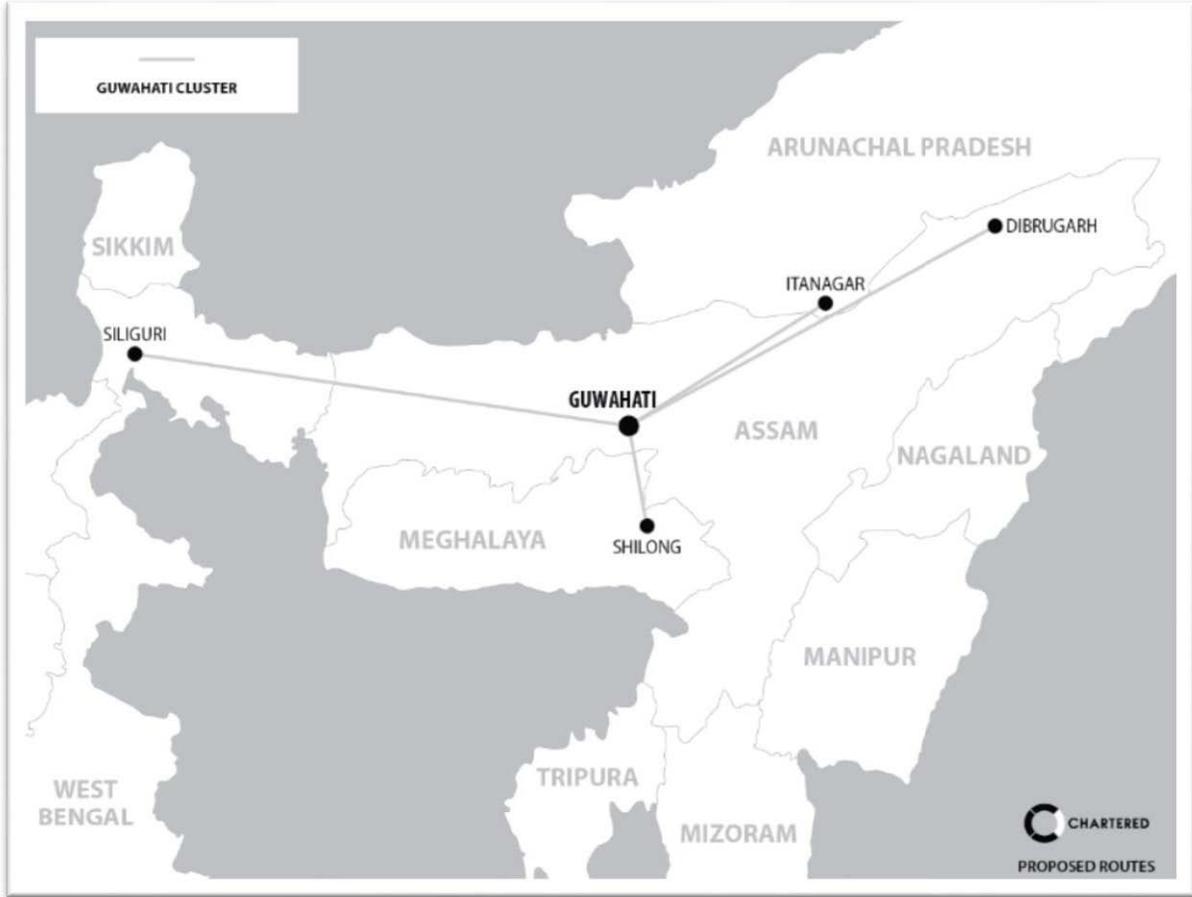
#### ***Increasing our network of inter-city operations***

In the inter-city segment, as on August 31, 2018, we operated across a total of 26 cities across Gujarat, Madhya Pradesh, Rajasthan and Maharashtra through over 200 schedules. We intend to prioritise our growth in high density metropolitan and tier-II cities in growing commuter regions of India by providing quality passenger mobility solutions and operating our buses in a safe and responsible manner. We intend to further penetrate the key routes in India by increasing the number of services per day and commencing services to new destinations in India where we anticipate adequate demand.

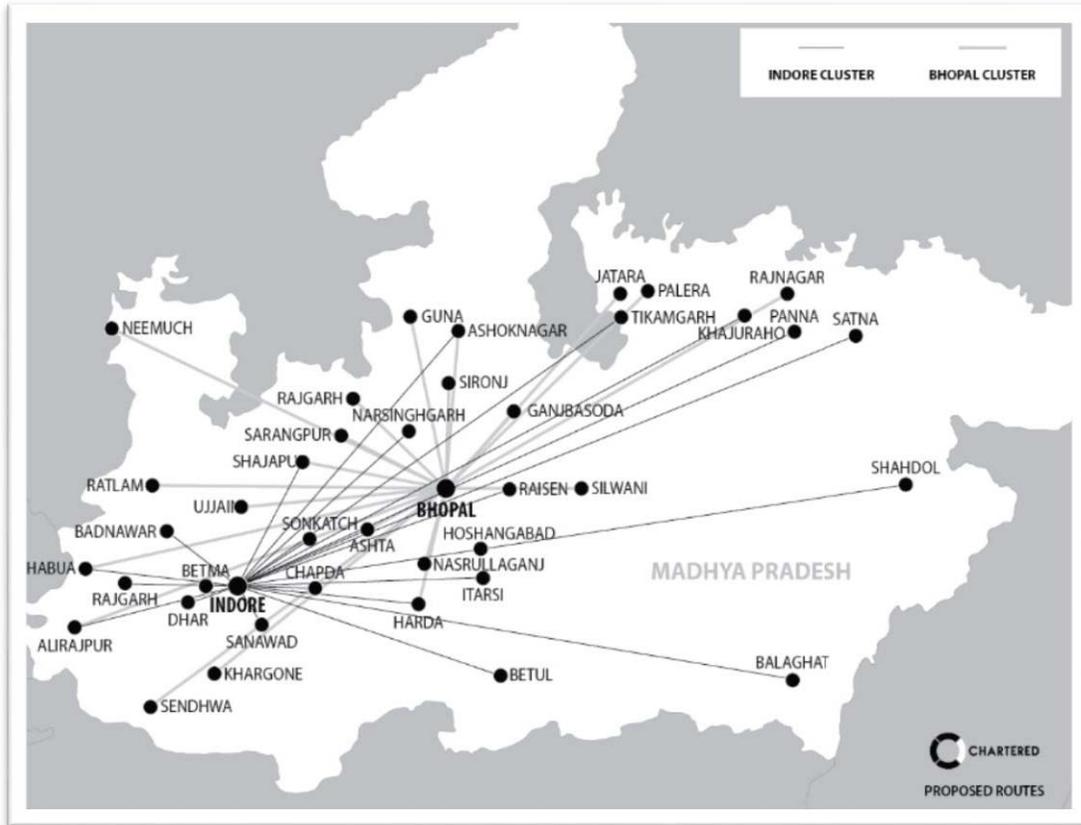
We intend on continuing to increase the size of our passenger mobility fleet in the coming years. To achieve these goals, we will increase our fleet size with new and technologically advanced buses. The net proceeds of this Offer will be partly utilized towards increasing our fleet of passenger buses. For further details, see the section “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

We intend to successfully complete the deployment of fleet under our contract with ASTC and become a partner of choice in Northeastern India, in addition to our already strong position in Central and Western India. Further, we also intend to expand our operations internationally to nations such as Bhutan and Bangladesh.

Set out below is a diagrammatic representation of the routes that we propose to operate in the eastern region of India:



Set out below is a diagrammatic representation of the routes we aim to operate over in Madhya Pradesh:



**Focus on the attractive market of Public Smart Bike sharing**

Smart Bike sharing is popular in many countries such as USA, China, Italy, Germany, etc. Many bike share systems allow people to borrow a bike from a "dock" and return it at another dock belonging to the same system. Docks are special bike racks that lock the bike, and only release it by computer control. The cost of ownership is very low for modes of transport in non-motorised segment; there is no fuel cost, no insurance cost, and very low investment and maintenance cost. It is the cheapest mode of transport in the world and is preferable for short distances which would help reduce the traffic congestion in cities. In India, the trend of using Smart Bikes as a recreational vehicle is on the rise. Further, certain initiatives by various state Governments in India have helped develop bike and jogging tracks in some cities, including Bhopal, to ease the congestion in the cities. (Source: CRISIL Report)

We have forayed into the public Smart Bike sharing transportation system and our Smart Bike sharing operations are currently functional in Bhopal. We have entered into an agreement with the Bhopal Smart City Development Corporation Limited (“BSCDCL”) for installation and operation of public Smart Bike sharing systems in Bhopal. As on August 31, 2018, we had deployed over 430 Smart Bikes in 88 designated stations across Bhopal. In January 2018 we have also entered into an agreement with the RSCCL upon being selected as the preferred agency for installation and operation of Public Smart Bike Sharing System in Ranchi City. The term is for 6 years and the project is for operation of 1,200 smart bikes. In September 2018, we have also received a Letter of Acceptance from the Surat Municipal Corporation upon being selected as the preferred agency for installation and operation of Public Smart Bike Sharing System in Surat City for operation of 1,160 Smart Bikes.

With heightened commuter sentiment and focus of the government towards clean and pollution free transportation, we aim to increase our fleet of smart bikes by introducing Smart Bikes sharing systems across additional cities as an alternate mode of clean and pollution free transportation.

### ***Improving operating efficiencies and customer service through technology enhancements***

We continue to develop our technology systems to increase asset productivity, operational efficiencies and strengthening our competitive position. Our reliance on technology plays an integral role in the effective management of our large scale of operations and in the maintenance of strict operational and fiscal controls, enabling us to enhance customer service levels.

We are focused on ensuring that our inter-city bus operations are punctual and reliable. We are also committed to making sure that the journeys covered by our buses across cities such as Ahmedabad, Indore, Mumbai, Pune and Jaipur, are time-bound and do not result in unnecessarily delays. This can be attributed to, *inter alia*, our dedicated workforce and our focus on the quality of our vehicles and technology systems. Additionally, we are focused on ensuring quality training for our drivers and providing them with incentives which we believe results in enhanced performance.

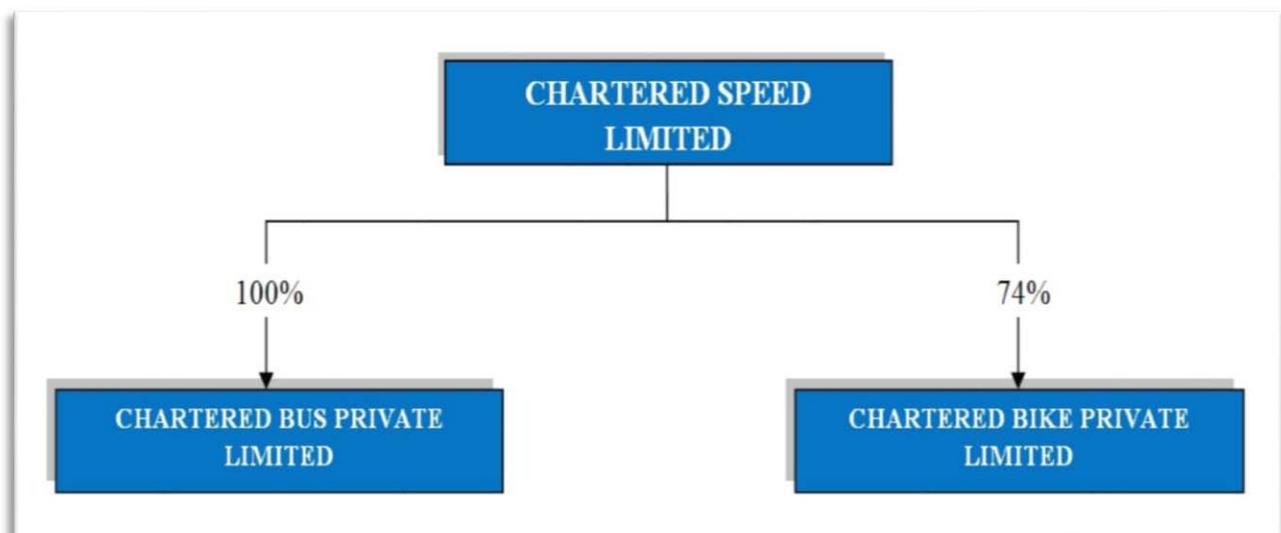
We have, in the past, invested in the augmentation of the technological capabilities of our fleet, by equipping our buses with advanced features such as GPS systems, and by enabling the usage of mobile applications to access our passenger mobility solutions.

We intend to continue to invest in technological solutions to further enhance customer service, optimize operational costs and improve asset utilization. For more information, see “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

### ***Maintaining a strong financial position***

We intend to focus on increased margins through maximizing occupancy levels and optimizing our operations in terms of kilometres travelled. The strength of our balance sheet in terms of liquidity and indebtedness provides us with a number of competitive advantages, such as lower finance costs, better financial terms from our lenders and the flexibility to fund future growth. As of August 31, 2018, we have total indebtedness of ₹ 1,157.42 million and we intend to use a part of the ‘Objects of the Issue’ towards the repayment and/ or prepayment of our indebtedness, please refer to the chapter titled “*Objects of the Issue*” and “*Financial Indebtedness*” on pages 93 and 350, respectively of this Draft Red Herring Prospectus.

### **Corporate Structure**



### **Business Verticals**

Our operations are primarily structured into the following business verticals:

**(i) Inter-city Operations**

We operate bus services providing mobility solutions for passengers and their inter-city travels within the state of Gujarat, Rajasthan, Madhya Pradesh and Maharashtra. We carry out our inter-city operations, i.e., buses servicing passengers journeying from one city to another, with a total of over 190 scheduled journeys as of March 31, 2018, wherein we serviced over 2.44 million passengers during Fiscal 2018.

We have partnered with some of our clients such as AiCTSL, ASTC and Bhopal City Link Limited (“BCLL”) and under the terms of these arrangements, the clients provide us with a space which is a central depot for passenger on-boarding, ticketing and parking of the buses. Our role in the arrangement is to provide buses as per the specifications of our clients, and dedicated resources to ensure the smooth running of the inter-city operations.

The following table sets out the details of the growth in the number of routes travelled by us and the number of passengers serviced by us in Fiscal 2016, 2017 and 2018:

|                                      | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 |
|--------------------------------------|-------------|-------------|-------------|
| <b>Number of Scheduled journeys</b>  | 156         | 191         | 195         |
| <b>Number of Passengers serviced</b> | 1,950,604   | 2,228,441   | 2,444,861   |

We have also recently entered into an agreement with ASTC to operate inter-city buses within Assam and to neighboring states. Under the terms of the agreement, we will operate the buses over certain routes from Assam for a fixed royalty payable to ASTC per month. The parking cum maintenance facilities, booking counters on all originating and termination points shall be provided by ASTC. The routes shall be decided by ASTC, however, the schedules for such routes shall be decided by us. Under the terms of the agreement, ASTC shall allow us to add upto 100 buses over a period of 10 years.

The business models for our inter-city operations are as follows:

**(i) Net Cost Contract (“NCC”)**

Under NCC, when the project is awarded to us, we operate the buses over the respective routes and provide the human resources. We also enjoy the entire revenue generated from the sale of tickets and other ancillary sources of revenue including advertising, cargo and parcel income. In some NCC agreements, we are required to pay a certain amount of royalty to the authority as agreed under the terms of the agreement or as laid down in the request for proposal (“RFP”) or tender documents. This royalty is paid to the authority for providing the space and the support for our inter-city operations. A large part of our existing inter-city operations are based on NCC as a business model, with our contracts with AiCTSL, ASTC and BCLL being NCCs.

**(ii) Ticket Revenue Model (“TRM”)**

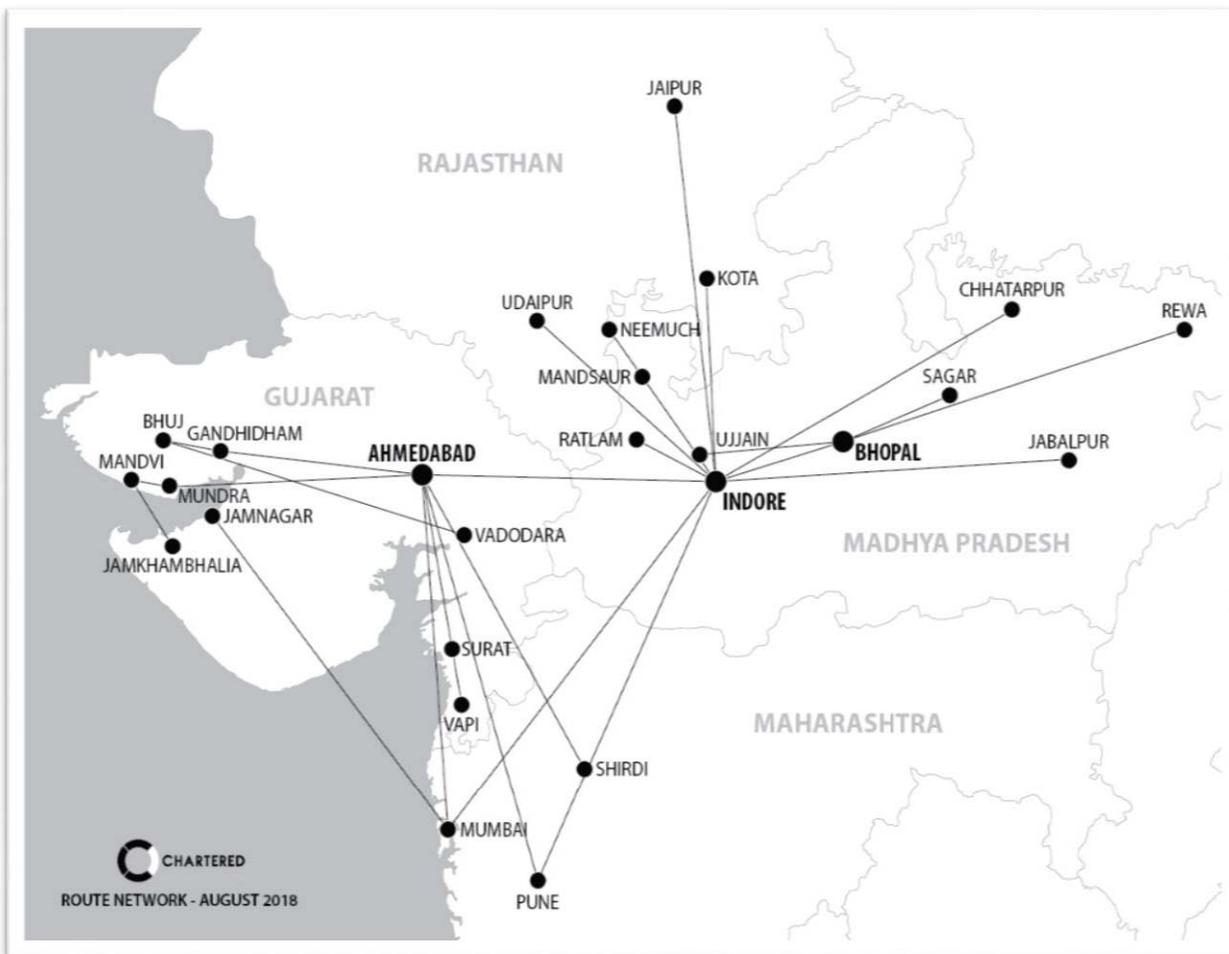
Our operations under TRM are driven by our understanding of demand dynamics in the specific markets. In this model we enjoy the entire revenue generated by our operations and have complete flexibility in scaling up or winding down routes we operate under this model. We operate certain of our inter-city schedules from and to cities such as Ahmedabad, Pune and Mumbai under this model.

**(iii) Gross Cost Contract (“GCC”)**

Under GCC, when the project is awarded to us, we provide certain services, which may include operation and maintenance of the buses and the provision of human resources. The ownership of the buses may or may not rest with us. However, in this model, the authority enjoys all the revenue generated from the sale of tickets, but pays us a certain amount for every kilometre travelled by our buses. Our arrangement with GSRTC under the letter of intent is a GCC arrangement which envisages us providing buses and managing the operations under.

Majority of our buses operating on inter-city routes, offer facilities such as Wi-Fi, charging points, reading lights, CCTVs cameras and GPS tracking services. Further, seats in our buses can be booked over the phone, on our website [www.charteredbus.in](http://www.charteredbus.in), and our mobile application ‘Chartered Bus’ as well as with online travel agents.

As on August 31, 2018, our buses operating in our inter-city operations covered the following routes:



### *Intra-city Operations*

We commenced our intra-city passenger mobility operations with public transit services (“**BRTS**”) in Ahmedabad and have grown to over 550 buses operating across 3 cities as on August 31, 2018 through contracts with AMTS, AiCTSL, and SMC. The following table sets out the details of the number of buses and the number of kilometres travelled by them in Fiscal 2016, 2017 and 2018:

|   | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 |
|---|-------------|-------------|-------------|
| <b>Number of Buses</b>                    | 395         | 590         | 590         |
| <b>Kilometres covered (km in million)</b> | 25.2        | 27.8        | 34.7        |

In our intra-city operations, we have the following two broad business models / arrangements across our agreements with our clients:

## A. Gross Cost Model

In the Gross Cost model we receive payment on a per-kilometre basis. The payment per kilometre is fixed for a fixed number of kilometres and thereafter variable for any extra kilometres travelled by the buses. Usually the tenders floated by the clients contain in-built provisions for revision in the price per kilometre upon change in the price of acquisition of fuel and other parameters as specified in the contract. The revenue generated out of the fares collected from the passengers is being retained by the clients as well as the scheduling is being decided by the clients.

### (i) *Gross Cost contract with Owned fleet*

In the Gross Cost model we enter into an agreement for operation of buses over routes as required by our clients. In this model, the ownership of the vehicles together with the responsibility for the operations and maintenance of the vehicles remains with us.

### (ii) *Gross Cost contract without ownership*

Under this business model, the vehicles are owned by the clients. We receive the payment for the operation and maintenance of the vehicles.

### (iii) *Gross Cost with partial Ownership*

The distinctive factor of contracts entered into under this business model is that the assets i.e., the buses are partially owned by us and partially owned by the clients. In some cases the ownership of the bus body rests with us, while the ownership over the chassis of the buses is with the clients or vice-versa. However, we are responsible for the operation and maintenance of the vehicles.

The following table sets out the total number of vehicles provided by us in the last three financial years, and as on August 31, 2018, divided into the type of business model under which the relevant contracts were entered into:

| Type of Contract        |                                   | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | As on August 31, 2018 |
|-------------------------|-----------------------------------|-------------|-------------|-------------|-----------------------|
| <b>Intra-city BRTS</b>  | Gross Cost with Owned Fleet       | 137         | 140         | 140         | 142                   |
|                         | Gross Cost without Ownership      | 98          | 63          | 62          | 67                    |
|                         | Gross Cost with Partial Ownership | 0           | 0           | 0           | 0                     |
| <b>Other Intra-city</b> | Gross Cost with Owned Fleet       | 100         | 129         | 129         | 101                   |
|                         | Gross Cost without Ownership      | 60          | 60          | 60          | 0                     |
|                         | Gross Cost with Partial Ownership | 0           | 198         | 199         | 199                   |

## B. Net Cost Contract (“NCC”)

Under NCC, when the project is awarded to us, we undertake all the activities in relation to providing the services. We also enjoy the entire revenue generated from the sale of tickets and other ancillary sources of revenue like advertising.

### *School and Staff buses*

We ventured into the school and staff bus business in Fiscal 2015, with a fleet of 3 buses. As on August 31, 2018, we had a fleet of over 30 school and staff buses. We provide school buses for students studying in the schools of Ahmedabad, as well as staff buses for the employees and staff of certain corporate customers. Majority of the aforesaid buses are air-conditioned and equipped with LCD screens, CCTV cameras, fire extinguishers and GPS tracking systems. We provide these amenities to ensure the safety and comfort of the passengers travelling in our buses.

Our school and staff bus operations formed 0.24%, 0.91% and 1.11% of our revenue in Fiscal 2016, 2017 and 2018 respectively, being ₹ 4.76 million, ₹ 21.48 million and ₹ 28.38 million respectively.

### ***Public Smart Bike Sharing***

In addition to our operations involving the operation and maintenance of buses for passenger transportation, we are also engaged in the business of providing public Smart Bike sharing services. Smart Bike sharing systems allow people to hire a bike from a "dock" and return it at another dock belonging to the same system. Docks are special bike racks that lock the bike. We have entered into a license agreement and an IT service level agreement with Nextbike GmbH (“**Nextbike**”) to launch Smart Bike sharing services in Bhopal. We endeavor to bring the system adopted by Nextbike in various European cities to India.

Our Smart Bike sharing operations involve storing of Smart Bikes in a closely spaced network of stations where our Smart Bikes are made available for shared use to individuals on a short term basis. The process is completely reliant on our information technology system which we use to discourage theft of the Smart Bikes. The user’s account is recorded along with the identity of the Smart Bike, and the user’s account is cleared when the system detects that the Smart Bike has been returned.

We have entered into an agreement with BSCDCL for installation and operation of public Smart Bike sharing systems in Bhopal. As on August 31, 2018, we deployed over 430 Smart Bikes in 88 designated stations across Bhopal. Under our agreement with the BSCDCL, the locations for the designated stations are provided by BSCDCL and we deploy our Smart Bikes and the technology systems accompanying the same in the said locations. BSCDCL is providing us capital grant and operational subsidy as per the terms and conditions to incentivize the project.

Our Smart Bikes are reliant on technology for security, as well as tracking, unlocking etc. The entire user interface is controlled by our mobile application, which is called ‘*Chartered Bike*’ and helps the commuter locate the nearest bike station, and the Smart Bikes are unlocked by scanning a QR Code. Further the Smart Bikes can also be unlocked by using Radio Frequency Identification (RFID) smart cards or PIN Code numbers.

Our pricing structure is designed to encourage people to use our Smart Bikes for transportation for monthly, quarterly and yearly subscription models. Along with the foregoing, we generate revenue through advertisements and sponsorships from the system.

We have also been awarded a new project by the RSCCL upon being selected as the preferred agency for installation and operation of Public Bike sharing system in Ranchi City. The term is for 6 years and the project is for operation of 1200 Smart Bikes at different stations to be provided by the RSCCL.

### ***Car rental operations***

In our car rental segment, we have a diverse fleet of a diverse mix of road transport vehicles which our customers can hire with a driver as well as without a driver. As on August 31, 2018, we had a total of over 45 cars engaged in our car rental operations. Customers may book any one of our cars, with or without a driver by calling our designated contact number and specifying the type of vehicle they desire to book. We also provide car rental services with drivers to corporates on monthly and/or yearly contract basis.

### ***Business development process across all our operations***

For our inter-city and intra-city bus operations, when an STU proposes to commence bus transport operations over a particular set of cities and/or within cities, it typically floats a request-for-proposal (“**RFP**”). The said RFP typically contains certain criteria including technical specifications and financial viability with relevant experience in the industry, which one is required to meet in order to be eligible to bid in the tender. Set forth below is a summary description of the key stages of our business:

#### ***(i) Business Development***

The large scale of our operations and our geographical presence enables us to become aware of tenders floated by the state transport corporations. We also subscribe to news wires and online services to stay informed on the bids published by central and/or respective state governments and/or other government authorized bodies from time to time. We also work with consultants who generally may assist us in identification and bidding for a new route being proposed. Further, having been in the business for over 8 years, we believe that we will be able to meet most of the pre-bidding qualification criteria and requirements of the STUs in terms of experience and operational track record. We have a dedicated team which helps us in generating business from schools and corporates.

*(ii) Tender and Competitive Bidding*

Most of the projects awarded to us are through a transparent competitive bidding process. Usually the bidding process consists of the pre-qualification stage and the bidding stage.

The typical duration between publication of the notice of a tender and the submission of financial viability and final bid varies from project to project. We prepare and submit the final bid for the proposed project when we are certain that we have the financial and technical capability to undertake the project. When all the bids are submitted, the state transport corporation reviews the bids, after which it is awarded to the winning bidder.

*(iii) Bilateral Negotiations*

In addition to participation in competitive tenders, we have also been awarded projects through approaching and conducting bilateral negotiations with the state transport authorities. This method is usually adopted by us when there is a particular route that we wish to operate upon with our buses but there is no tender floated for the same. We approach the relevant state transport authority, put forth our proposal and hold discussions and negotiations with them regarding the kind of agreement to be entered into, the number of buses required and the amount of royalty that will be paid by us to relevant state transport authorities.

*(iv) Ticket Revenue/Contract carriage*

We promote this by using online and/or offline marketing channels such as print advertising, social media advertising and other media activities.

**In-house bus body fabrication and vehicle maintenance**

We strive towards keeping a well-maintained fleet of buses and vehicles which we believe helps us in minimizing downtime occurring due to repairs and resulting service interruptions.

We have an in-house bus body fabrication facility in Ahmedabad, Gujarat which spans 3,379 square metres. We utilize the said fabrication unit to fabricate the bodies of the buses for our own use as well as for supply to STUs. This strategic backward integration, which we believe not only helps reduce the expenditure on the purchase of finished buses, but also enables us to provide buses with the bodies customized to suit the exact technical requirements of the operations for our customers. We built a total of 475 buses over the three year period from Fiscal 2016 to Fiscal 2018.

Our maintenance program is designed in a manner through which we try to minimize the breakdown and increase longevity of our vehicles. We perform preventive and remedial maintenance on our buses at our workshops in Ahmedabad, Surat and Indore.

We have received type approval from the Automotive Research Association of India in respect of our bus body fabrication facility for additional compliance with the provisions of the Central Motor Vehicles Rules for the fabrication of 54 different types of buses at our facility at Ahmedabad. Our facility is also ISO 9001:2015 certified for quality management in respect of the manufacture of bus bodies a variety of different types of buses which are operated by us.

## Information Technology

Over the years, we have attempted to consistently introduce advanced technologies for our buses providing inter-city operations including GPS tracking systems, CCTV cameras and Wi-Fi.

We use technology across majority of our business operations such as fuelling, ticketing, inventory, vehicle tracking, maintenance, and scheduling and customer service. We also have an in-house software team with a view to automate our processes by the application of technology at such levels of our operations, as decided by our management.

We are in the process of developing an in-house enterprise resource planning software called ‘UDAAN’ which we believe will make our operations more transparent and efficient and allows us to seamlessly manage and control our business. Further, our mobile phone application ‘Chartered Bus’ and ‘Chartered Bike’ is available for the purpose of booking seats on our buses and Smart Bikes respectively.

We intend to further improve the efficiency of our operations by investing more in technology. We believe that the further modernization and technological upgradation of our existing systems will improve our profit margins and improve customer experience and service. We intend to deploy technological advancements such as Advance Driver Assistance System (collision avoidance systems), automated passenger counting machines, driver simulation laboratories, SAP integration and an internally developed bus ticketing platform with capabilities such as tracking, customer relations and analytics, for our fleet of vehicles. For further details, please see “Strategies - Improving operating efficiencies through technology enhancements” hereinabove and “Objects of the Offer” on page 93 of this Draft Red Herring Prospectus.

## Bus Fleet

The following table sets forth certain information relating to our fleet of vehicles in our bus operations business in terms of type and / or city of operation for our inter-city, intra-city, school bus and staff bus operations:

| Kind of vehicle  | As on March 31, 2014 | As on March 31, 2015 | As on March 31, 2016 | As on March 31, 2017 | As on March 31, 2018 | As on August 31, 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Inter-city</b>  |                      |                      |                      |                      |                      |                       |
| Volvo multi-axle seater / sleeper buses                            | 8                    | 15                   | 26                   | 38                   | 43                   | 47                    |
| Volvo Single axle seater buses                                     | 0                    | 2                    | 2                    | 2                    | 2                    | 2                     |
| Other seater / sleeper buses                                       | 2                    | 16                   | 28                   | 32                   | 56                   | 74                    |
| <b>TOTAL</b>   | <b>10</b>            | <b>33</b>            | <b>56</b>            | <b>72</b>            | <b>101</b>           | <b>123</b>            |
| <b>Intra-city</b>  |                      |                      |                      |                      |                      |                       |
| Ahmedabad  | 215                  | 331                  | 383                  | 377                  | 376                  | 293                   |
| Surat  | NA                   | NA                   | NA                   | 198                  | 199                  | 199                   |
| Indore   | NA                   | 11                   | 12                   | 15                   | 15                   | 59                    |
| <b>Total Regular Air-conditioned and Non-air conditioned buses</b> | <b>215</b>           | <b>342</b>           | <b>395</b>           | <b>590</b>           | <b>590</b>           | <b>551</b>            |
| <b>School and Staff Buses</b>                                      | <b>NA</b>            | <b>3</b>             | <b>7</b>             | <b>19</b>            | <b>30</b>            | <b>33</b>             |

## Fuel

Our Company manages its fuel purchasing process in an effort to maintain adequate fuel supplies and reduce its fuel costs. Depending on the particular business model, the clients take care of the fluctuation in the fuel prices and compensate us in accordance with our arrangement. The cost of our fuel consumption has fluctuated significantly in recent years, accounting for 37.41%, 38.76% and 42.21%, of our total expenses in Fiscals 2016, 2017 and 2018 respectively. Further, we have applied to the Petroleum and Explosives Safety Organisation for grant of a license for storage of petroleum for captive consumption. We intend to obtain the license to build an in-house storage capacity

of about 20 kilo litres of high speed diesel (“HSD”) in our facility in Ahmedabad, Gujarat. Upon being granted the said license, we will be able to store up to 20 kilo litres of HSD which will be supplied under an agreement that we have entered into with a major Indian petrochemical company. We believe that storage of HSD in our in-house storage facility will further reduce costs of transportation of fuel and will enhance operational convenience.

### Awards and Certifications

We have won several awards and accolades in recognition of our efforts, and design capabilities. We were awarded the ‘Innovator of the year Award’ by JK Tyre in 2012. We have also received recognition from the United Nations Climate Change Secretariat in 2012 for ‘Lighthouse Activities – Urban Poor Pillar’ in 2012 for our AJL BRTS project, and the award for the ‘Private Sector Bus Fleet Operator of the Year’ by Apollo CV Magazine in the year 2014. For details about some of the major awards won by us, see “*History and Certain Corporate Matters*” beginning on page 167 of the Draft Red Herring Prospectus.

### Employees

As of August 31, 2018, there were 2,562 full-time employees in the Company which includes 1,240 drivers, with an average ratio of 1.75 drivers per bus. Our administrative employees play a vital role in our centralized support services, while our operational and maintenance employees are integral to our ground operations.

The table below sets forth the break-up of our employees as on August 31, 2018:

| <b>Function</b>                      | <b>No. of employees as at August 31, 2018</b> |
|--------------------------------------|---|
| Drivers                              | 1,240   |
| Administrative and Senior Management | 660   |
| Workshop                             | 354   |
| Conductors and Care-takers           | 308   |
| <b>TOTAL</b>                         | <b>2,562</b>                                  |

The recruitment, training and retention of our drivers are essential to our growth and to meet the service requirements of our customers. We recruit drivers based on our internal selection and screening process where we check driving experience, government documents like driving license, police verification, Aadhar and other personal evaluations, including physical examinations. The performance of each of the drivers is periodically evaluated.

Our Company’s strategy for drivers is to (i) hire experienced drivers (the majority of driver positions hired require twelve months of on-the-road experience); (ii) promote retention with a competitive compensation package for our drivers; and (iii) minimize safety problems through mandatory and continuous training and rewards for accident-free driving.

### Ticketing

The ticketing facilities for our inter-city passenger mobility operations are provided by us through various channels such as our website [www.charteredbus.in](http://www.charteredbus.in), mobile application ‘Chartered Bus’, our branch offices, and call center as well as through online travel agents. In Fiscal 2018, 82.22% of our ticketing was done through our in-house channels. The following table sets out the percentage of tickets sold through various in-house channels in Fiscal 2016, Fiscal 2017 and Fiscal 2018:

| <b>Mode of booking tickets</b>   | <b>% of tickets sold<br/>Fiscal 2016</b> | <b>% of tickets sold<br/>Fiscal 2017</b> | <b>% of tickets sold in<br/>Fiscal 2018</b> |
|--|--|--|---|
| Our website <a href="http://www.charteredbus.in">www.charteredbus.in</a> and<br>Our mobile application Chartered Bus | 6.30                                     | 6.58                                     | 8.14  |
| Our Branch Offices   | 80.55                                    | 80.59                                    | 74.08                                       |

### Environment, Health and Safety

We are committed to implementing measures to comply with applicable environmental, health and safety laws and regulations. We comply with all mandatory environmental measures and we have processes in place to ensure compliance related requirements are met. As of this Draft Red Herring Prospectus, we do not have any material non-compliance issues in respect of any applicable laws and regulations on environmental protection and the health and safety-related rules and regulations set out in applicable central, state and local laws and regulations. For further details, see “*Key Regulations and Policies*” and “*Government and Other Approvals*” beginning on pages 162 and 359, respectively of this Draft Red Herring Prospectus.

### **Competition**

We compete, and expect to continue to compete with State owned road transport corporations and a variety of local, regional and inter-regional private bus operators. We believe that the principal competitive factors are service, price and the availability and configuration of vehicles that comprehensively meet a variety of customers’ needs. We believe that we are able to compete effectively in our market by providing consistently high quality and timely-service. We also believe that passenger mobility solutions evolve with demand, customer needs and government initiatives.

### **Intellectual Property**

As of August 31, 2018, our Promoter, Pankaj Kumar Gandhi in his individual capacity has made one application for registration of the trade mark  (Chartered with C Logo), which is currently pending registration. We have been permitted by Pankaj Kumar Gandhi to use the aforesaid trade mark under a trademark license agreement dated September 18, 2018. For further details in relation to the risk relating to our intellectual property, please refer to the chapter titled “*Risk Factors*” on page 19 of this Draft Red Herring Prospectus.

### **Insurance**

Our operations are subject to various risks inherent in the passenger mobility industry, particularly in relation to our commercial vehicles. We have obtained and maintain insurance policies for our commercial vehicles as well as a policy for protection of our building, plant and machinery at our registered office against the risk of fire and special perils.

### **Properties**

Our registered office is situated at Sarkhej-Bavla Highway, Sanathal, Sarkhej, Ahmedabad – 382 210, Gujarat, India. We have taken on lease our registered office under a rent agreement with Pankaj Kumar Gandhi.

In addition, our Company has a total of 44 branch offices out of which 19 are located in Madhya Pradesh, 3 are located in Rajasthan, 7 are located in Maharashtra, and 15 are located in Gujarat. All our branch offices are located on leasehold premises.

## KEY REGULATIONS AND POLICIES

*Given below is a summary of certain relevant Indian laws and regulations applicable to our Company and our Subsidiary. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*Under the provisions of various central government and state government statutes and legislations, our Company and our Subsidiary are required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see “Government and Other Approvals” on page 359 of this Draft Red Herring Prospectus.*

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

### BUSINESS SPECIFIC REGULATIONS

#### **Motor Vehicle Act, 1988**

The Motor Vehicles Act, 1988 imposes liability on every proprietor or individual responsible for a motor vehicle to ensure that every person who drives the motor vehicle holds a valid driving license. It also mandates that every conductor of a stage carrier should hold valid conductor’s license. Under the Act, the owner of the motor vehicle also bears the obligation to ensure that the vehicle is registered in accordance with the provisions of the Act and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner. No motor vehicle can be used as a transport vehicle unless the owner of the vehicle has obtained the required permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorizing him the use of the vehicle in that place in the way the vehicle is being used. The Act provides that where death or permanent disablement of any person has resulted from an accident arising out of the use of motor vehicle, the owner of the vehicle is liable to pay compensation. Claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles, or damages to any property of a third party so arising can be adjudicated before the Motor Accidents Claims Tribunal.

The Motor Vehicles Act, 1988 states that no person under the age of twenty years shall drive a transport vehicle in any public place. Further, any driving license issued or renewed under the Act shall, in the case of a license to drive a transport vehicle, be effective for a period of three years. Additionally, if the person obtaining the license, either originally or on renewal thereof has attained the age of fifty years on the date of issue or as the case may be, renewal thereof, be effective, on payment of such fee as may be prescribed, for a period of five years from the date of such issue or renewal

#### **Central Motor Vehicles Rules, 1989**

The Central Motor Vehicle Rules provides the rules and procedures for the licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

#### **Motor Transport Worker Act, 1961**

The Motor Transport Workers Act lays down detailed provisions for regulating work hours, payment of wages and protection of the welfare and health of the employees. The act provides for the welfare of motor transport workers and to regulate the conditions of their work. It applies to every motor transport undertaking employing five or more motor transport workers. The ‘Motor transport undertaking’ according to section 2(g) of the act is defined as a motor transport undertaking engaged in carrying passengers or goods or both by road for hire or reward and includes a private carrier. The act prescribes that such motor transport undertakings should be registered under the act. A ‘motor transport

worker' means a person who is employed in a motor transport undertaking directly or through an agency, whether for wages or not, to work in a professional capacity on a transport vehicle or to attend to duties in connection with the arrival, departure, loading or unloading of such transport vehicle and includes a driver, conductor, cleaner, station staff, line checking staff, booking clerk, cash clerk, depot clerk, time-keeper, watchman or attendant. Any act or omission contrary to the provision of the act regarding employment of motor transport workers is punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to seventy-five rupees for every day during which such contravention continues after conviction for the first such contravention.

### **Gujarat Motor Vehicle Rules, 1989**

The Gujarat Motor Vehicle Rules provides for the registration of motor vehicle with the registering authority and licensing of the driver and of motor vehicle. Rule no 16 states the duties and function of the driver of a public vehicle. Rule no 18 provides for the grant of authorisation to drive the transport vehicle, it further states that no person shall be authorized to drive a motor cab or a maxi cab within the limits of the city of Ahmedabad, Vadodara, Rajkot and Surat unless the appropriate licensing authority is satisfied that such a person has adequate knowledge of the topographic features of that city and has granted the authorization accordingly. no person shall be authorized to drive a motor cab or a maxi cab within the limits of the city of Ahmedabad, Vadodara, Rajkot and Surat unless the appropriate licensing authority is satisfied that such a person has adequate knowledge of the topographic features of that city and has granted the authorization accordingly. The act also provides for a badge which is to be worn by both the conductor and the driver.

### **Rajasthan Motor Vehicle Rules, 1990**

The Rajasthan Motor Vehicle Rules provides for the issue of license to drivers and conductors of stage carriers, registration of motor vehicles, issue of different types of permits for the motor vehicles and lays down rules concerning the construction, equipment and maintenance of motor vehicles. The act provides for the duties of driver and the conductor, it prescribes a uniform for the drivers and the conductors and provides for a mandatory name badge which is to be worn by both the conductors and the drivers. The act enlists certain duties of the driver and the stage conductor who shall abide by the same.

### **Madhya Pradesh Motor Vehicle Rules, 1994**

The Madhya Pradesh Motor Vehicle Rules states regarding the licencing of the motor vehicle, the driver and the conductor present on board the vehicle and the for the registration of motor vehicle with the registering authority and licensing of the driver and of motor vehicle. Under the rules, the owner of the motor vehicle also bears the responsibility to ensure that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carriers a registration mark displayed in the prescribed manner.

### **Maharashtra Motor Vehicle Rules, 1989**

The Maharashtra Motor Vehicle Rules provides for the issue of license to drivers and conductors of stage carriers, registration of motor vehicles, issue of different types of permits for the motor vehicles and lays down rules concerning the construction, equipment and maintenance of motor vehicles. The act provides for the duties of driver and the conductor, it prescribes a uniform for the drivers and the conductors and provides for a mandatory name badge which is to be worn by both the conductors and the drivers. The act enlists certain duties of the driver and the stage conductor who shall abide by the same. The owner of the motor vehicle bears the responsibility to ensure that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carriers a registration mark displayed in the prescribed manner.

### **Gujarat Motor Vehicle Tax Act, 1958**

The Gujarat Motor Vehicle Tax Act provides that there shall be levied and collected on all motor vehicles used or kept for use in the State, a tax at the rates fixed by the Gujarat Government. A motor vehicle kept by a dealer, or manufacturer of such vehicles, for trade, there shall be levied and collected annually such amount of tax not exceeding

₹ 250 as the State Government may prescribe through the official gazette. This act defines “certificate of taxation” as a certificate indicating the rate at which the tax is leviable, and the period for which the tax has been paid. It is the tax authority’s responsibility to issue the certificate along with the receipt of the payment of the due tax. In case when the tax has been paid in advance, a tax refund can be asked when the certificate has been surrendered to the authorities for the tax amount which has been in advance. An interest shall be paid on the unpaid amount of the tax and such interest.

### **Madhya Pradesh Vehicle Tax Act, 1947**

The Madhya Pradesh Vehicle Tax Act provides for payment of tax by all motor vehicle used or kept in state, an additional tax is to be paid on public service vehicle with a capacity exceeding six passengers excluding the driver and the conductor. Where any motor vehicle in respect of which tax has been paid for one or more quarter or a month and (a) the vehicle has not been used for a prescribed period or (b) the vehicle has been so altered as to entitle the owner to the refund of a portion of tax already paid. The state government shall have the power to formulate rules for better implementation of the act. The act also give power to the state to appoint an officer to appoint an officer to stop the motor vehicle for inspection and my further seize and detain the vehicle in case of non-payment of tax.

### **Assam Motor Vehicle Rules, 2003**

The Assam Motor Vehicle Rules, 2003 provide for licensing of drivers of motor vehicles, licensing of conductors of stage carriers, registration of motor vehicles, control of transport vehicles and control of traffic. They further provide special provisions relating to state transport undertakings, as well as construction, equipment and maintenance of motor vehicles. The rules provide for the duties of driver and the conductor and prescribe a uniform for the drivers and the conductors and provide for a mandatory name badge which is to be worn by both the conductors and the drivers. The rules enlist certain duties of the driver and the stage conductor who are required to abide by the same. Under these rules, the owner of the motor vehicle bears the responsibility to ensure that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act, 1988 and the certificate of registration of the vehicle must not be suspended or cancelled. The vehicles must also carry a registration mark displayed in the prescribed manner.

### **Assam Motor Vehicle Taxation Act, 1936**

The Assam Motor Vehicle Taxation Act, 1936 governs the levy of taxes on motor vehicles and provides for a tax known as road tax which is levied on every motor vehicle used in the State of Assam. This Act also provides for levy of penalty for contravention of any of the provisions laid therein. No motor vehicle except those exempted either wholly or partially, by the State Government shall be used in the State of Assam unless the owner thereof has paid in respect of such motor vehicle, a tax at the appropriate rate specified in the First Schedule to the aforesaid Act and the tax payable under the Act shall be payable in advance on or before April 15 of every year by the owner of a motor vehicle. In the event that the owner, without any reasonable cause, fails or refuses to pay such tax, the Deputy Commissioner on receipt of such certificate of recovery of the amount, shall recover the tax including such penalty as he may deem fit, not exceeding due half the annual tax, as arrear of land revenue.

### **Guidelines laid down by the Supreme Court of India on safety in School Buses**

The Supreme Court of India vide judgement dated December 16, 1997 in W.P. (civil) 13029 of 1985 in the case of M.C. Mehta versus Union of India laid down, inter alia, the guidelines for safe plying of school busses and for carrying school children to and from schools in different categories of motor cabs / maxi-cabs / omni buses etc. The said guidelines state that no bus shall be used by an educational institution unless it is fitted with doors which can be closed, and the vehicle has an appropriate permit for the vehicle used for transport. There must be an attendant in every such vehicle to ensure safe travel of the children and render adequate assistance for safe embarking and dis-embarking of the children. The conductor/ attendant must possess a first aid kit, and the buses must be equipped with sufficient lighting and drinking water in the bus. Activities in the bus must be visible from outside of the vehicle at all times. It has further been stipulated that the conductors as well as bus drivers must possess qualifications, and carry out their duties and functions as per the Motor Vehicles Act.

### **Petroleum Act, 1936**

In India, petroleum is a commodity which is under strict purview of the government, who in turn regulates it through various statutes and rules. The Petroleum Act is primarily a statute for governing the import, transport, storage, production, refining and blending of petroleum. It prescribes that import, transport and storage of petroleum can only be done in accordance with the rules prescribed by the Central Government. This act differentiates the petroleum in three classes and prescribes different set of rules for each class. The act empowers the Central Government to make rules regarding, inter alia the places at which and prescribing the conditions subject to which petroleum may be stored, the nature, situation and condition of all receptacles in which petroleum may be stored and prescribing the form and conditions of licenses for the import of petroleum Class A and for the transport or storages of any petroleum. A storage license is required for the storing of petroleum. However, a person need not obtain a license for the transport or storage of petroleum Class B if the total quantity in his possession at any one place does not exceed two thousand and five hundred litres and none of it is contained in a receptacle exceeding one thousand litres in capacity or petroleum Class C if the total quantity in his possession at any one place does not exceed forty-five thousand litres and such petroleum is transported or stored in accordance with the rules prescribed or petroleum Class A not intended for sale if the total quantity in his possession does not exceed thirty litres. Section 9 of the act prescribes that the owner of a motor conveyance, who complies with the requirements of the law relating to the registration and licensing of such conveyance and its driver such as obtaining necessary driver's license and road permits and the owner of any stationary internal combustion engine, shall not be required to obtain a license (a) for the import, transport or storage of any petroleum contained in any fuel tank incorporated in the conveyance or attached to the internal combustion engine; or (b) for the transport or storage of petroleum Class A not exceeding one hundred litres in quantity; in addition to any quantity possessed under (a) mentioned above, provided the petroleum is intended to be used to generate motive power for the motor conveyance or engine and the total quantity of petroleum Class A does not exceed one hundred litres.

#### **Petroleum Rules, 1976**

The Petroleum Rules prescribe that no person shall deliver or dispatch any petroleum to anyone in India other than the holder of a storage license. However, no license is required for the storage of petroleum in well-head tank or for the storage of petroleum as transit cargo within the limits prescribed. A certificate of safety should be submitted to the licensing authority before storage of petroleum. All operations within an installation, service station or storage shed should be conducted under the supervision of an experienced responsible agent or supervisor who is conversant with the terms and conditions of the license. With respect to storage, the rules also prescribe various conditions for protection against fire, drainage, cleanliness, protection of the area.

#### **Laws relating to Employment**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company and our Subsidiaries include the following:

#### **Factories Act, 1948**

The Factories Act defines a “factory” to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power. Each state government has rules in respect of the prior submission of plans and their approval for the establishment of factories, as well as for licensing of factories. The Factories Act provides that an occupier of a factory i .e., the person who has ultimate control over the affairs of the factory, and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Payment of Gratuity Act, 1972;
- Workmen's Compensation Act, 1923;
- The Contract Labour (Regulation and Abolition) Act, 1970;

- The Contract Labour (Regulation and Abolition) Central Rules, 1971;
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under ;
- Employees State Insurance Act, 1948;
- The Maternity Benefits Act, 1961;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- Child Labour (Prohibition and Regulation) Act, 1986;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Equal Remuneration Act, 1976;
- Employees Compensation Act, 1923;

### **Tax Related Legislations**

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, the Interstate Goods and Services Tax Act, 2017, various state goods and services tax legislations, the Income Tax Act, the Income Tax Rules, local body taxes in respective states and various applicable service tax notifications and circulars.

### **Other Applicable Laws**

#### **Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘Chartered Speed Private Limited’, a private limited company under the Companies Act, 1956 on May 22, 2007 at Ahmedabad and the Certificate of Incorporation was issued by the RoC. Our Company was converted to a public company pursuant to a special resolution passed by our shareholders on August 23, 2018 and consequently, the name of our Company was changed to ‘Chartered Speed Limited’. A fresh certificate of incorporation consequent upon change of name upon conversion into public company was issued by the RoC on September 10, 2018.

### Changes in the registered office

Except as disclosed below, there has been no change in the Registered Office of our Company:

| Effective Date | Details of change in the address of the Registered Office  |
|----------------|--|
| March 1, 2011  | From Chartered House, 6 Dada Estate, Sanand Chokdi, Sarkhej, Ahmedabad – 382 210, Gujarat, India to Sarkhej-Bavla Highway, Sanathal, Sarkhej, Ahmedabad – 382 210, Gujarat, India. |

The Registered Office was changed due to administrative and operational convenience.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

*“To carry on the business of door to door Transport, logistics, Contractors, Subcontractors, General Carriers, Parcel Service, courier service, Clearing and Forwarding agents, Fleet Owners, Handling and Haulage Contractors, Garage Proprietors, Cargo Superintendents, Warehousemen and Common Carriers, Custom House Agents in respect of Goods, Parcels, Passengers, Merchandise, Commodities and other Products, Liver Stock, Freight, Fares and Luggage of all kinds and description whether commercial or otherwise to and from any part of the world and in the space by road, rail air or sea by any mode of transport or to do such transport through other agency or agencies and to carry on business of warehousing cold storage yard and godown owners and operators of all storage for perishable and non perishable commodities and goods, vegetables, fruits and edible, non edible, inclusive and domestic articles.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see “Objects of the Offer” on page 93 of this Draft Red Herring Prospectus.

### Amendments to our Memorandum of Association

Since incorporation, the following amendments have been made to our Memorandum of Association:

| Date of shareholders resolution | Nature of amendment   |
|---------------------------------|---|
| November 30, 2007 (EGM)         | Clause V was amended to reflect an increase in the authorised share capital of our Company from ₹ 100,000 divided into 10,000 Equity Shares of ₹ 10 each, to ₹ 2,500,000 divided into 250,000 Equity Shares of ₹ 10 each.             |
| November 27, 2010 (EGM)         | Clause V was amended to reflect an increase in the authorised share capital of our Company from ₹ 2,500,000 divided into 250,000 Equity Shares of ₹ 10 each, to ₹ 10,000,000 divided into 1,000,000 Equity Shares of ₹ 10 each.       |
| January 6, 2014 (EGM)           | Clause V was amended to reflect an increase in the authorised share capital of our Company from ₹ 10,000,000 divided into 1,000,000 Equity Shares of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each.   |
| August 1, 2018 (EGM)            | Clause V was amended to reflect an increase in the authorised share capital of our Company from ₹ 100,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each to ₹ 400,000,000 divided into 40,000,000 Equity Shares of ₹ 10 each. |

| Date of shareholders resolution | Nature of amendment  |
|---------------------------------|--|
| August 23, 2018 (EGM)           | Conversion from private limited company to public limited company. |

### Major Events and Milestones

The table below provides the key events in the history of our Company:

| Calendar Year | Events / Milestones   |
|---------------|---|
| 2018          | Agreement with ASTC for our first ever bus operations in Northeastern India   |
| 2016          | Contract for 200 buses from Surat Municipal Corporation<br>First ever contract for bike sharing for installation and operation of public bicycle sharing system in Bhopal |
| 2015          | First contract for supply of school buses in Ahmedabad  |
| 2012          | Contract for operation and management of 70 Ahmedabad city buses from AMTS<br>Purchase of first fleet of 4 Volvo B9R buses for inter-city operations                      |
| 2011          | Acquired Prem CallCabs Private Limited, which is now known as Chartered Bus Private Limited   |
| 2009          | First ever BRTS bus rolled out from our bus body fabrication facility<br>First contract for supply of 50 buses for the Ahmedabad BRTS project.                            |

### Awards accreditations and accolades

The table below provides the key awards, accreditations and accolades received by our Company:

| Calendar Year | Awards and Accreditations  |
|---------------|--|
| 2017          | Excellence Award 2017, Runner-up for 'Bus Operator for School Transport' at Prawaas, organized by the Bus Operators Confederation of India                     |
|               | Excellence Award 2017, Runner-up for 'Stage Carriage Operator in Private Sector' at Prawaas, organized by the Bus Operators Confederation of India             |
|               | Excellence Award 2017, Runner-up for 'Passenger Choice Bus Operator of the Year (West Zone)' at Prawaas, organized by the Bus Operators Confederation of India |
| 2015          | Award for the 'Best Practice Adopter of the year' by Apollo CV Magazine  |
| 2014          | Award for 'Private Sector Bus Fleet Operator of the Year' by Apollo CV Magazine  |
| 2012          | Lighthouse Activities – Urban Poor Pillar by the United Nations Climate Change Secretariat for 'Bus Rapid Transit System Janmarg, Ahmadabad'                   |
| 2012          | Award for 'Innovator of the Year' by JK Tyre.  |

### Total number of Equity Shareholders of our Company

Our Company has 7 Equity Shareholders. For further details, see “*Capital Structure*” on page 82 of this Draft Red Herring Prospectus.

### Business and management

For a description of our activities, services, products, technology, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our services, management, major clients, geographical segment etc., see “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Government and Other Approvals*” on pages 144, 310 and 359, respectively of this Draft Red Herring Prospectus. For details of the management of our Company, see “*Our Management*” on page 174 of this Draft Red Herring Prospectus.

### Changes in 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 our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

### **Capital raising activities through equity and debt**

For details regarding our capital raising activities through equity, see “*Capital Structure*” and “*Financial Statements*” on pages 82 and 203, respectively of this Draft Red Herring Prospectus. Further, our Company has not undertaken any offering of debt instruments since its inception.

### **Strike and lock-outs**

Our Company has not had any strikes and lock – outs in our operations since incorporation.

### **Time or cost overrun**

Our Company has not experienced any instances of time / cost overrun in our business operations.

### **Defaults or rescheduling of borrowings with financial institutions / banks, conversion of loans into equity by the Company**

There have been no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to our Company.

### **Injunctions or restraining order against our Company**

There are no injunctions or restraining orders against our Company.

### **Details regarding acquisition of business/undertakings, mergers, amalgamations, revaluation of assets, if any by our Company**

#### **Acquisition of Chartered Bus Private Limited:**

Pursuant to the following transaction, our Company has acquired Chartered Bus Private Limited (formerly known as ‘*Chartered Cabs Private Limited*’ and formerly known as ‘*Prem CallCabs Private Limited*’) and subsequently Chartered Bus Private Limited has become a subsidiary of our Company:

| <b>Date transfer</b> | <b>of Number of Equity Shares</b> | <b>Nature of consideration</b> | <b>Face value (₹)</b> | <b>acquisition price (₹)</b> | <b>Nature of Transaction</b>      |
|----------------------|-----------------------------------|--------------------------------|-----------------------|------------------------------|-----------------------------------|
| February 8, 2011     | 4500                              | Cash                           | 10                    | 10                           | Transfer from Alka Pankaj Gandhi  |
| April 2, 2011        | 4,540                             | Cash                           | 10                    | 10                           | Transfer from Prem Prakash Sharda |
| March 20, 2013       | 250                               | Cash                           | 10                    | 10                           | Transfer from Pankaj Kumar Gandhi |
| March 20, 2013       | 105                               | Cash                           | 10                    | 10                           | Transfer from Roshan Agarwal      |
| March 20, 2013       | 105                               | Cash                           | 10                    | 10                           | Transfer from Prem Prakash Sharda |
| March 20, 2013       | 1,000                             | Cash                           | 10                    | 10                           | Transfer from Alka Pankaj Gandhi  |

### **Material Agreements**

Other than as mentioned in “*History and Certain Corporate Matters – Details regarding acquisition of business / undertakings, mergers, amalgamations, revaluation of assets, if any by our Company*” on page 169 of this Draft Red Herring Prospectus, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years preceding this Draft Red Herring Prospectus.

#### **Guarantees given by our Promoters**

Our Promoters, Pankaj Kumar Gandhi and Alka Pankaj Gandhi have given guarantees, amounting to ₹ 765.45 million as on March 31, 2018 and ₹ 1,270.31 million as on August 31, 2018. For further information, see the section titled “*Financial Indebtedness*” on page 350 of this Draft Red Herring Prospectus.

#### **Holding company**

Our Company does not have a holding company.

#### **Subsidiaries**

As of the date of this Draft Red Herring Prospectus, we have 2 (two) Subsidiaries. For details regarding the Subsidiaries of our Company, see “*Our Subsidiaries*” on page 171 of this Draft Red Herring Prospectus.

#### **Associate company and Joint venture**

As of the date of this Draft Red Herring Prospectus, our Company does not have any associate company or joint ventures.

#### **Strategic and financial partnerships**

Our Company does not have any strategic and financial partners as on date of filing this Draft Red Herring Prospectus.

## OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has a total of 2 (two) subsidiaries.

1. Chartered Bike Private Limited; and
2. Chartered Bus Private Limited

The details of our Subsidiaries are as follows:

### 1. Chartered Bike Private Limited

#### *Corporate Information*

Chartered Bike Private Limited (“**Chartered Bike**”) was incorporated as ‘*NextBike One Private Limited*’ on February 15, 2016 under the Companies Act, 2013 with the RoC. The name was subsequently changed to ‘*Chartered Bike Private Limited*’ pursuant to a special resolution of the shareholders of the company dated March 10, 2017 and a fresh Certificate of Incorporation was issued by the RoC on April 10, 2017. The registered office of Chartered Bike is situated at Sarkhej – Bavla Highway, Sarkhej, Ahmedabad – 382 210, Gujarat, India. The CIN of Chartered Bike is U60220GJ2016PTC086103. Chartered Bike is engaged in establishing, organizing and managing public sharing bikes and other carries.

#### *Capital Structure*

The authorized share capital of Chartered Bike is ₹ 30,000,000 divided into 3,000,000 equity shares of face value ₹ 10 each. The issued, subscribed and paid – up share capital of Chartered Bike is ₹ 10,000,000 divided into 1,000,000 equity shares of face value ₹ 10 each.

#### *Shareholding Pattern*

The following table sets forth details of the shareholding of Chartered Bike:

| Sr. No. | Name of the shareholder | Number of equity shares of face value ₹ 10 each | Percentage of total equity holding (%) |
|---------|-------------------------|---|--|
| 1.      | Chartered Speed Limited | 740,000   | 74.00                                  |
| 2.      | Pankaj Kumar Gandhi     | 110,000   | 11.00                                  |
| 3.      | Alka Pankaj Gandhi      | 3,887   | 0.39                                   |
| 4.      | Nextbike GmbH           | 146,113   | 14.61                                  |
|         | <b>Total</b>            | <b>1,000,000</b>                                | <b>100.00</b>                          |

### 2. Chartered Bus Private Limited

#### *Corporate Information*

Chartered Bus Private Limited (“**Chartered Bus**”) was incorporated as ‘*Prem CallCabs Private Limited*’, under the Companies Act, 1956 on August 14, 2007 with the Registrar of Companies, Madhya Pradesh and Chhattisgarh at Gwalior. Subsequently, pursuant to a resolution of the shareholders of Chartered Bus dated February 16, 2012 the name was changed to ‘*Chartered Cabs Private Limited*’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on March 13, 2012. The name was further changed to ‘*Chartered Bus Private Limited*’ pursuant to a special resolution of an Extra-Ordinary General Meeting of Chartered Bus dated April 11, 2018 and a fresh certificate of incorporation was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on April 18, 2018. The registered office of Chartered Bus is situated at 30, A.B Road, Residency Area, Opposite M.G.M Medical College, Indore - 452001, Madhya Pradesh, India. The CIN of Chartered Bus is U63090MP2007PTC019750.

Chartered Bus is engaged in the business of, *inter alia*, owning, operating, establishing and maintaining a public transport system, buses, tourism buses, student transport buses, private charter buses, promotion buses and to create a specialized and regulatory agency to monitor cost effective and good public transport services, under the auspices of ‘Amrut Yojana’ more specifically in the city of Indore and Bhopal under the umbrella of the AiCTSL and BCLL.

#### *Capital Structure*

The authorized share capital of Chartered Bus is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid – up share capital of Chartered Bus is ₹ 105,000 divided into 10,500 equity shares of face value of ₹ 10 each.

#### *Shareholding pattern*

The following table sets forth details of the shareholding of Chartered Bus:

| <b>Sr. No.</b> | <b>Name of the shareholder</b> | <b>Number of equity shares of face value ₹ 10 each</b> | <b>Percentage of total equity holding (%)</b> |
|----------------|--------------------------------|--|---|
| 1.             | Chartered Speed Limited        | 10,105   | 96.24   |
| 2.             | Pankaj Kumar Gandhi*           | 395  | 3.76  |
|                | <b>Total</b>                   | <b>10,500</b>  | <b>100.00</b>                                 |

\*Nominee of Chartered Speed Limited

#### **Common Pursuits**

Our Subsidiaries are engaged in activities similar to that of our Company or are enabled under their respective memoranda of association, as applicable, to engage in similar activities to that of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation if and when they arise.

#### **Business interest between our Company and the Subsidiaries**

Except as stated in the “*Our Business*” and “*Related Party Transactions*” on pages 144 and 201, respectively of this Draft Red Herring Prospectus, neither of our Subsidiaries have any business interest in our Company.

#### **Other confirmations**

##### **Listing**

Neither of our Subsidiaries are listed on any stock exchange in India or abroad. None of our Subsidiaries have been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad.

Neither of our Subsidiaries have made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

##### **Sick Subsidiaries**

Neither of our Subsidiaries have become sick companies under the meaning of the erstwhile SICA, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up proceedings have been initiated against them.

##### **Accumulated profits or losses**

There are no accumulated profits or losses of either of our Subsidiaries not accounted for by our Company in its Restated Consolidated Financial Information.

**Sale or purchase of shares of our Subsidiaries during the last six months**

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Material Developments*” on page 310 of this Draft Red Herring Prospectus, none of our Promoters, the members of our Promoter Group, or our Directors or their relatives (as defined under the Companies Act 2013) have sold or purchased any equity shares or other specified securities of our Subsidiaries during the six months immediately preceding the date of this Draft Red Herring Prospectus.

**Significant sale or purchase between our Subsidiaries and our Company**

Except as disclosed in “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus, none of our Subsidiaries are involved in any sales or purchases with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

## OUR MANAGEMENT

### Board of Directors

As per our Articles of Association, our Company is required to have not less than 3 Directors and not more than 15 Directors. As on the date of filing this Draft Red Herring Prospectus, our Company has 6 Directors on its Board, of which 3 are Independent Directors and a woman Director.

### Our Board

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

| Name, designation, address, occupation, DIN, term and nationality                                   | Age (years) | Other directorship   |
|---|-------------|--|
| <b>Mohib Nomanbhai Khericha</b>   | 66          | <i>Indian Companies</i>                                      |
| <b>Designation:</b> Chairman and Independent Director   |             | 1. TD Power Systems Limited;                                 |
| <b>Address:</b> 4, Sarita Kunj Society, PT College Road, Paldi, Ahmedabad – 380 007, Gujarat, India |             | 2. Chartered Capital and Investment Limited;                 |
| <b>Occupation:</b> Business   |             | 3. Mazda Limited;  |
| <b>DIN:</b> 00010365  |             | 4. Vijay Farms Private Limited;                              |
| <b>Term:</b> Five years from September 5, 2018  |             | 5. Vimraj Enterprises Private Limited;                       |
| <b>Nationality:</b> Indian  |             | 6. Sri Vijayadurga Investments and Agencies Private Limited; |
|   |             | 7. Vijay Kirti Investments and Agencies Private Limited;     |
|   |             | 8. Abhiman Trading Company Private Limited;                  |
|   |             | 9. Vijayjyothi Investments and Agencies Private Limited;     |
|   |             | 10. Ravindu Motors Private Limited;                          |
|   |             | 11. Kirloskar Power Build Gears Limited;                     |
|   |             | 12. Photoquip (India) Limited;                               |
|   |             | 13. DF Power Systems Private Limited; and                    |
|   |             | 14. Laburnum Chemicals Private Limited;                      |
|   |             | <i>Foreign Companies</i>                                     |
|   |             | 15. TD Power Systems (USA) Inc.; and                         |
|   |             | 16. TD Power Systems Japan Limited.                          |

| Name, designation, address, occupation, DIN, term and nationality  | Age (years) | Other directorship   |
|--|-------------|--|
| <p><b>Pankaj Kumar Gandhi</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> 10, Aditraj Bungalows, Near Prenatirth Derasar, Satellite, Ahmedabad – 380 015, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00414409</p> <p><b>Term:</b> Three years from September 1, 2018</p> <p><b>Nationality:</b> Indian</p>                              | 49          | <ol style="list-style-type: none"> <li>1. Chartered Autozone Private Limited;</li> <li>2. Chartered Greentech Private Limited;</li> <li>3. Chartered Auto Components Private Limited;</li> <li>4. Chartered Marbles Private Limited;</li> <li>5. Raman Holding Private Limited;</li> <li>6. Chartered Bus Private Limited;</li> <li>7. Chartered NextGen Solutions Private Limited; and</li> <li>8. Chartered Bike Private Limited.</li> </ol> |
| <p><b>Alka Pankaj Gandhi</b></p> <p><b>Designation:</b> Non – Executive Director</p> <p><b>Address:</b> 10, Aditraj Bungalows, Near Prenatirth Derasar, Satellite, Ahmedabad – 380 015, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00414420</p> <p><b>Term:</b> Liable to retire by rotation.</p> <p><b>Nationality:</b> Indian</p>                             | 46          | <ol style="list-style-type: none"> <li>1. Chartered Autozone Private Limited; and</li> <li>2. Chartered Bike Private Limited.</li> </ol>   |
| <p><b>Sanyam Gandhi</b></p> <p><b>Designation:</b> Whole – time Director</p> <p><b>Address:</b> 10, Aditraj Bungalows, Near Prenatirth Derasar, Satellite, Ahmedabad – 380 015, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07160760</p> <p><b>Term:</b> Three years from September 1, 2018 (liable to retire by rotation)</p> <p><b>Nationality:</b> Indian</p> | 22          | <ol style="list-style-type: none"> <li>1. Chartered Autozone Private Limited;</li> <li>2. Chartered Auto Components Private Limited;</li> <li>3. Raman Holding Private Limited;</li> <li>4. Chartered Bus Private Limited;</li> <li>5. Chartered Bike Private Limited; and</li> <li>6. Rise Auto Private Limited.</li> </ol>   |
| <p><b>Arupkumar Basu</b></p> <p><b>Designation:</b> Independent Director</p>   | 63          | <p><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>1. Refinol Resins and Chemicals Limited; and</li> </ol>  |

| Name, designation, address, occupation, DIN, term and nationality  | Age (years) | Other directorship  |
|--|-------------|---|
| <b>Address:</b> G – 1, Sankul Apartment, S. M. Road, Old Excise Chowki Ambawadi, Manekbag, Ahmedabad – 380 015, Gujarat, India<br><br><b>Occupation:</b> Professional<br><br><b>DIN:</b> 00906760<br><br><b>Term:</b> Five years from September 5, 2018<br><br><b>Nationality:</b> Indian                                      |             | 2. Ideal Foundation for Social and Economic Development.<br><br><i>Foreign Companies</i><br><br>1. Refnol Overseas Limited. |
| <b>Amit Bhatt</b><br><br><b>Designation:</b> Independent Director<br><br><b>Address:</b> WW 10, 1st Floor, Malibu Town, Islampur (97), Gurugram – 122018, Haryana, India<br><br><b>Occupation:</b> Service<br><br><b>DIN:</b> 07219383<br><br><b>Term:</b> Five years from September 5, 2018<br><br><b>Nationality:</b> Indian | 42          | 1. World Resources India Private Unlimited; and<br><br>2. Capital Region Urban Transport.                                   |

### Brief profiles of our Directors

**Mohib Nomanbhai Khericha**, aged 66 years, is the Chairman and Independent Director of our Company. He holds a degree of Bachelor of Commerce from Gujarat University. He is also a fellow member of the Institute of Chartered Accountants of India. He has over 40 years of experience in capital structuring, restructuring, financial management and loan syndication. Currently, he is the Managing Director of Chartered Capital And Investment Limited, a listed company which is into Investment Banking Services and Non-Executive Chairman and promoter of TD Power Systems Limited. Also, he is our Chairman and has been a Director on our Board since September 5, 2018.

**Pankaj Kumar Gandhi**, aged 49 years, is the Managing Director of our Company. He has over 23 years of experience in the automotive sector. He has completed his matriculation. Prior to being a Director of our Company, he has been associated with Raj Transport Company. He has been a Director on our Board since July 31, 2008. He is primarily responsible for strategic planning, future expansion, business development, marketing, human resources and corporate affairs of our Company.

**Alka Pankaj Gandhi**, aged 46 years, is the Non – Executive Director of our Company. She has completed her matriculation. She has been a Director on our Board since June 15, 2011.

**Sanyam Gandhi**, aged 22 years, is the Whole – Time Director and Chief Product Officer of our Company. He holds a Bachelor’s degree in science from the Karlsruhe Institute of Technology, Germany. He has over two years of experience in the transportation industry. He was appointed on the Board of our Company on March 17, 2018. He is responsible for identifying and implementing technology and services which will help decrease costs and increase scalability of our Company.

**Arupkumar Basu**, aged 63 years, is an Independent Director of our Company. He holds a degree of Bachelors of Technology – Chemical Engineering from IIT, Mumbai and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He has over 30 years of experience in management, administration and policy formulations. Prior to being a Director of our Company, he has been associated with Refnol Resins and Chemicals

Limited and Ideal Foundation for Social and Economic Development. He has been a Director on our Board since September 5, 2018.

**Amit Bhatt**, aged 42 years, is an Independent Director of our Company. He holds a degree of Bachelors of Architecture from Utkal University and Master of Planning – Transport Planning from School of Planning and Architecture, New Delhi. He has over 18 years of experience in the field of urban transport, non-motorized transport, public transportation, road safety and urban development. Presently, he is the Director of Integrated Urban Transport, WRI India. He has been a Director on our Board since September 5, 2018.

### Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE during their directorship.

None of our Directors is or were directors on any listed companies which have been or were delisted from any stock exchange during the term of his/her directorship in such companies.

Other than Chartered Capital and Investment Limited, wherein Mohib Nomanbhai Khericha is managing director, no proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. For further details in relation to investigations have been initiated by SEBI against Chartered Capital and Investment Limited, see “*Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated*” on page 354 of this Draft Red Herring Prospectus.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

### Relationship between our Directors

Except as stated below, none of our Directors are related to each other:

| Name of the Directors                      | Nature of Relationship |
|--|------------------------|
| Pankaj Kumar Gandhi and Alka Pankaj Gandhi | Husband and Wife       |
| Pankaj Kumar Gandhi and Sanyam Gandhi      | Father and Son         |
| Alka Pankaj Gandhi and Sanyam Gandhi       | Mother and Son         |

### Terms of appointment of Executive Directors

#### Pankaj Kumar Gandhi

Pankaj Kumar Gandhi was appointed as an additional Director pursuant to a Board resolution dated July 31, 2008. Recently, he has been re-appointed as the Managing Director of our Company for a term of three years with effect from September 1, 2018 pursuant to a Board resolution dated August 28, 2018. The Shareholders have approved his re-appointment and remuneration pursuant to shareholders’ resolution dated September 5, 2018. The details of remuneration governing his appointment are stated below:

| Particulars  | Details  |
|--------------|--|
| Basic Salary | ₹ 1,000,000 per month (with effect from September 1, 2018) with an increase of 10% on every 1st of April |

| Particulars                                 | Details  |                  |                                     |                     |       |   |       |                     |       |
|---|--|------------------|-------------------------------------|---------------------|-------|---|-------|---------------------|-------|
| Variable Remuneration as Commission         | <table border="1"> <thead> <tr> <th>Net profit up to</th> <th>Commission as percent of net profit</th> </tr> </thead> <tbody> <tr> <td>Up to ₹ 200,000,000</td> <td>3.00%</td> </tr> <tr> <td>Above ₹ 200,000,000 and up to ₹ 300,000,000</td> <td>2.50%</td> </tr> <tr> <td>Above ₹ 300,000,000</td> <td>2.00%</td> </tr> </tbody> </table> | Net profit up to | Commission as percent of net profit | Up to ₹ 200,000,000 | 3.00% | Above ₹ 200,000,000 and up to ₹ 300,000,000 | 2.50% | Above ₹ 300,000,000 | 2.00% |
| Net profit up to                            | Commission as percent of net profit  |                  |                                     |                     |       |   |       |                     |       |
| Up to ₹ 200,000,000                         | 3.00%  |                  |                                     |                     |       |   |       |                     |       |
| Above ₹ 200,000,000 and up to ₹ 300,000,000 | 2.50%  |                  |                                     |                     |       |   |       |                     |       |
| Above ₹ 300,000,000                         | 2.00%  |                  |                                     |                     |       |   |       |                     |       |
| Perquisites                                 | As per the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time  |                  |                                     |                     |       |   |       |                     |       |
| Gratuity                                    | As per the rules of the Company  |                  |                                     |                     |       |   |       |                     |       |
| Earned Leave                                | As per the rules of the Company. He will be entitled to cash the un-availed leave at the end of the calendar year  |                  |                                     |                     |       |   |       |                     |       |
| Car Facility                                | At the entire cost of the Company for the business purpose of the Company  |                  |                                     |                     |       |   |       |                     |       |
| Reimbursement                               | For business purpose on actual   |                  |                                     |                     |       |   |       |                     |       |

### Sanyam Gandhi

Sanyam Gandhi was appointed as an additional Director (Executive) pursuant to a Board resolution dated March 17, 2018. Pursuant to the Board resolution dated August 28, 2018 and resolution of the shareholders dated September 5, 2018, he has been regularized and designated as whole-time Director with effect from September 1, 2018. The details of remuneration governing his appointment are stated below:

| Particulars   | Details   |
|---------------|---|
| Basic Salary  | ₹ 400,000 per month (with effect from April 1, 2018)  |
| Perquisites   | As per the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time |
| Gratuity      | As per the rules of the Company   |
| Earned Leave  | As per the rules of the Company. He will be entitled to cash the un-availed leave at the end of the calendar year                           |
| Car Facility  | At the entire cost of the Company for the business purpose of the Company   |
| Reimbursement | For business purpose on actual  |

### Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2018 are as follows:

#### Remuneration to our Executive Directors

| Name of Director    | Remuneration paid in Fiscal 2018 (in ₹ million) |
|---------------------|---|
| Pankaj Kumar Gandhi | 12.00   |
| Kinjal Gandhi*      | 6.00  |
| Sanyam Gandhi       | NIL**   |

\*Kinjal Gandhi has resigned from the post of Director of the Company with effect from August 26, 2018.

\*\*Sanyam Gandhi was appointed as an additional Director on our Board pursuant to a resolution of our Board dated March 17, 2018. However, he was entitled to receive remuneration from April 1, 2018.

#### Remuneration to our Non-executive Directors

| Name of Director         | Remuneration paid in Fiscal 2018 (in ₹ million) |
|--------------------------|---|
| Alka Pankaj Gandhi       | 7.20  |
| Mohib Nomanbhai Khericha | NIL*  |
| Arupkumar Basu           | NIL*  |
| Amit Bhatt               | NIL*  |

\*Our Independent Directors were not on the Board of our Company in Fiscal 2018, and hence did not receive any remuneration in Fiscal 2018.

Pursuant to a resolution dated August 28, 2018 of our Board of Directors, our Non – executive and Independent Directors are entitled to sitting fees of ₹ 25,000 for attending each meeting of our Board and sitting fees of ₹ 20,000 per meeting for attending each meeting of the committees of our Board. Additionally, our Independent Directors are also entitled to reimbursement of travelling and out of pocket expenses incurred by them to attend such meetings.

### Remuneration paid or payable from our Subsidiaries

Below are the details of remuneration paid to our Directors by our Subsidiaries during Fiscal 2018:

| Name of the Subsidiary         | Name of the Director | Remuneration Paid (₹ in million) |
|--------------------------------|----------------------|----------------------------------|
| Chartered Bike Private Limited | Sanyam Gandhi        | 1.20                             |

### Shareholding of our Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus:

| Name of the Director | No. of Equity Shares (pre-Offer) | Percentage (%) |
|----------------------|----------------------------------|----------------|
| Pankaj Kumar Gandhi  | 14,196,400                       | 50.61          |
| Alka Pankaj Gandhi   | 13,851,080                       | 49.38          |
| Sanyam Gandhi        | 400                              | 0.00           |
| <b>Total</b>         | <b>28,047,880</b>                | <b>99.99</b>   |

### Shareholding of our Directors in our Subsidiaries

For details of our Directors who hold equity shares in our Subsidiaries, see “*Our Subsidiaries*” on page 171 of this Draft Red Herring Prospectus.

### Borrowing Powers of our Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and resolution passed at our annual general meeting dated September 5, 2018, our Board has been authorised to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, but so that the moneys to be borrowed together with the moneys already borrowed by the Company shall not exceed ₹ 2,500 million in excess of the aggregate of its paid share capital and free reserves of the Company as per the latest annual audited financial statements, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

### Bonus or profit sharing plan for the Directors

Except as disclosed in “*Terms of appointment of Executive Directors – Pankaj Kumar Gandhi*” above, our Company does not have any bonus or profit sharing plan for our Directors.

### Service contracts with Directors

Our Company has not entered into any service contract with our Directors which provides for benefits upon termination of directorship.

### Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our other Directors or Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

## **Interest of our Directors**

Our executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see “-Remuneration of our Executive Directors” above.

Further, our Non- executive Directors and Independent Directors are entitled to receive sitting fees for attending each meeting of our Board and Committee, details of which have been provided under the heading “Remuneration details of our Non-executive Directors and Independent Directors” above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of which have been disclosed above under the heading “Shareholding of Directors in our Company” and “Shareholding of Directors in our Subsidiaries” above. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Further, our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our registered office is located on land which is owned by our Managing Director, Pankaj Kumar Gandhi. As per the rent agreement dated April 26, 2018 entered between Pankaj Kumar Gandhi and our Company, Pankaj Kumar Gandhi is receiving a rent of ₹ 86,250 per month with an option to increase 15% every year for renewal to be paid as rent by the Company per month. The rent agreement is valid for a period of thirty years with effect from April 26, 2018. Further, Alka Pankaj Gandhi has entered into a rent agreement dated April 1, 2017 with our Company, pursuant to which Alka Pankaj Gandhi has rented her property situated at 124, Sakar County, Near Vraj Home, Shela, Sanand, Gujarat to our Company for purpose of guest house for an amount of ₹ 86,400 per month with an option to increase 15% every year for renewal to be paid as rent by the Company per month. The rent agreement is valid for a period of five years with effect from April 1, 2017.

We have also entered into a trademark license agreement dated September 18, 2018 with our Managing Director, Pankaj Kumar Gandhi. For further details regarding the trademark license agreement, see “Interest of our Promoters” on page 191 of this Draft Red Herring Prospectus.

Except as disclosed above and as stated in the section “Related Parties and Related Party Transactions” on page 201 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

## **Interest in the promotion of our Company**

Except for Pankaj Kumar Gandhi and Alka Pankaj Gandhi, who are the Promoters of our Company and Sanyam Gandhi, forming part of the Promoter Group, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

## **Interest as to property of our Company**

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

## **Appointment of relatives of our Directors to any office or place of profit**

None of the relatives of our Directors have been appointed to any office or place of profit in our Company.

### Changes in our Company's Board of Directors during the last three years

The changes in our Board during the last three years are as follows:

| Name of Director         | Date of appointment | Date of cessation | Reason                              |
|--------------------------|---------------------|-------------------|-------------------------------------|
| Kinjal Gandhi            | -                   | August 26, 2018   | Resignation                         |
| Mohib Nomanbhai Khericha | September 5, 2018   | -                 | Appointment as Independent Director |
| Arupkumar Basu           | September 5, 2018   | -                 | Appointment as Independent Director |
| Amit Bhatt               | September 5, 2018   | -                 | Appointment as Independent Director |
| Sanyam Gandhi            | March 17, 2018      | -                 | Appointment as Additional Director  |

### Loans taken by Directors

Our Company has not granted any loans to the Directors which is outstanding as on date of the filing of the Draft Red Herring Prospectus.

### Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board functions either directly, 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 SEBI Listing Regulations and the Companies Act, 2013.

### Committees of our Board

Our Board has constituted the following Committees in accordance with the requirement of SEBI Listing Regulations and the Companies Act, 2013:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Corporate Social Responsibility Committee.

**Details of each of these Committees are as follows:**

#### *Audit Committee*

Our Audit Committee was constituted pursuant to resolution of our Board dated September 10, 2018. Our Audit Committee comprises of the following members:

| Name of Director         | Designation | Nature of Directorship |
|--------------------------|-------------|------------------------|
| Mohib Nomanbhai Khericha | Chairman    | Independent Director   |
| Pankaj Kumar Gandhi      | Member      | Managing Director      |

#### A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications/ modified opinions in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Review of utilization of loans and advances from holding company in subsidiaries exceeding ₹ 1 billion or 10% of asset size of the Subsidiary of the Company.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - statement of deviations:
- (A) quarterly statement of deviation(s), submitted to stock exchange(s) in terms of Regulation 32(1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.
- (B) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.

#### ***Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated September 10, 2018. Our Nomination and Remuneration Committee comprises of the following members:

| <b>Name of Director</b> | <b>Designation</b> | <b>Nature of Directorship</b> |
|-------------------------|--------------------|-------------------------------|
| Arupkumar Basu          | Chairman           | Independent Director          |

|                          |        |   |
|--------------------------|--------|---|
| Mohib Nomanbhai Khericha | Member | Independent Director                      |
| Alka Pankaj Gandhi       | Member | Non – Executive, Non-Independent Director |

Terms of Reference for the Nomination and Remuneration Committee are as follows:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- 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 managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 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;
- recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent is applicable; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended.
- 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***

Our Stakeholders Relationship Committee was constituted pursuant to resolution of our Board dated September 10, 2018. Our Stakeholders Relationship Committee comprises of the following members:

| <b>Name of Director</b> | <b>Designation</b> | <b>Nature of Directorship</b>             |
|-------------------------|--------------------|---|
| Alka Pankaj Gandhi      | Chairperson        | Non – Executive, Non-Independent Director |
| Arupkumar Basu          | Member             | Independent Director                      |
| Sanyam Gandhi           | Member             | Executive Director                        |

Terms of Reference for the Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Considering and resolving grievances of shareholders', debenture holders and other security holders;
2. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, balance sheets of the Company, etc.;

3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
4. Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

### **Corporate Social Responsibility Committee**

Our Corporate Social Responsibility Committee was constituted pursuant to resolution of our Board dated April 25, 2015 and reconstituted on September 10, 2018. Our Corporate Social Responsibility Committee comprises of the following members:

| <b>Name of Director</b>  | <b>Designation</b> | <b>Nature of Directorship</b>           |
|--------------------------|--------------------|---|
| Pankaj Kumar Gandhi      | Chairman           | Managing Director                       |
| Alka Pankaj Gandhi       | Member             | Non-Executive, Non-Independent Director |
| Mohib Nomanbhai Khericha | Member             | Independent Director                    |

The terms of reference of CSR Committee shall, *inter-alia*, include the following:

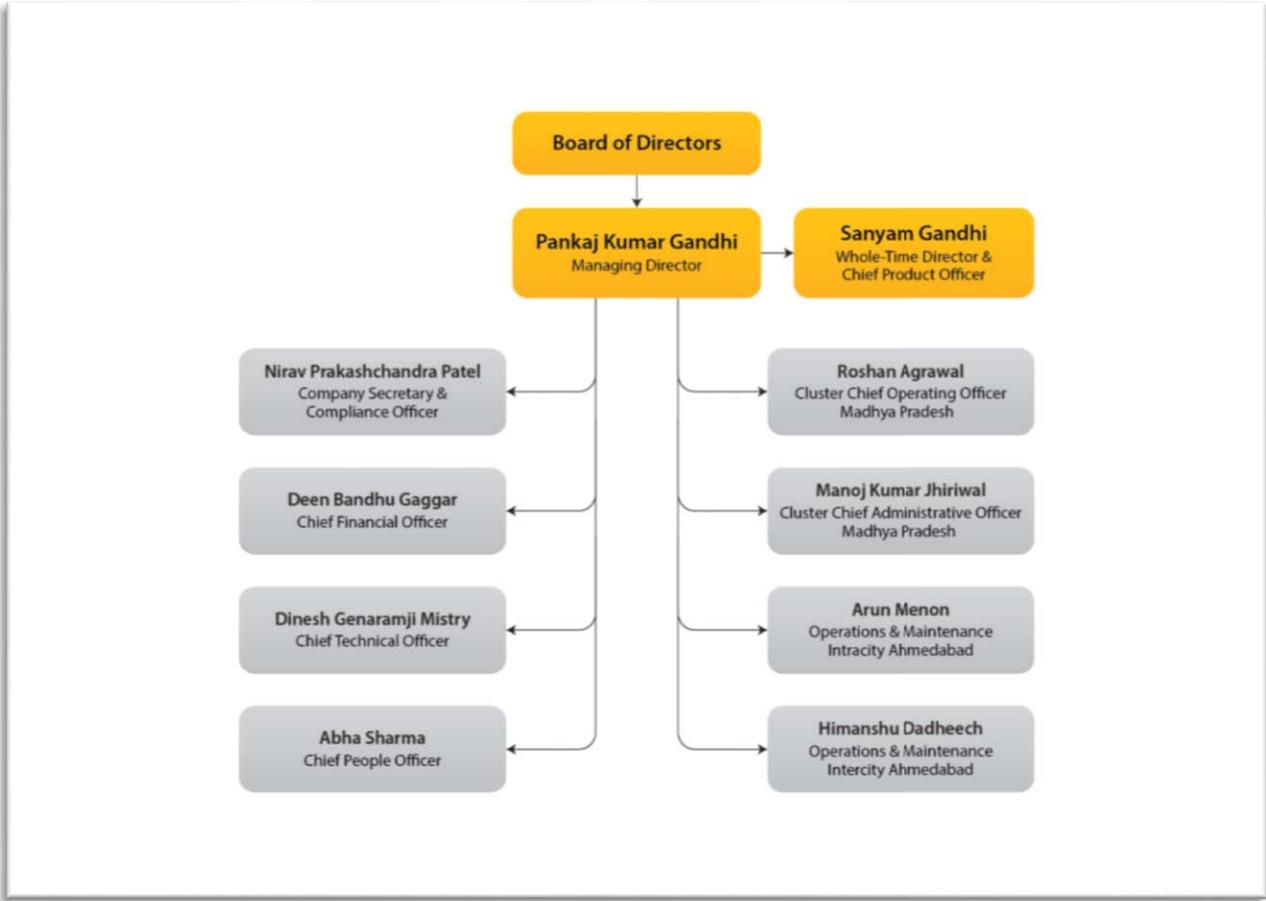
1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR 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.

### **Other Committees**

In addition to the committees constituted in accordance with the requirement of SEBI Listing Regulations and the Companies Act, 2013, our Company has also constituted an IPO Committee.

### **Management Organization Structure**

Set forth is the management organization structure of our Company:



### Our Key Managerial Personnel

In addition to our Key Managerial Personnel as defined under Section 203 of the Companies Act, 2013, our Managing Director, Pankaj Kumar Gandhi and our whole-time Director and Chief Product Officer, Sanyam Gandhi, each of whose details are provided in “– *Brief Profiles of our Directors*” above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

**Deen Bandhu Gaggar**, aged 51 years, is the Chief Financial Officer of our Company and is responsible for managing cost centre for, internal audit of and finalization of accounts of our Company and its Subsidiaries, accounting, liaisoning with banks and government departments, coordinating with all the departments and auditors. He is a qualified Chartered Accountant and is a fellow member of the Institute of Chartered Accountants of India. He has over 13 years of experience in finance and accounting. Prior to joining our Company, he has worked with GSL Nova Petrochemicals Limited, Oswal Extrusion Limited and Nandan Exim Limited. He joined our Company on January 18, 2015. His gross remuneration for the Fiscal 2018 was ₹ 1.89 million.

**Dinesh Genaramji Mistry**, aged 39 years, is the Chief Technical Officer of our Company and is responsible for entire purchase by all the workshops, managing stores departments and staff recruitments and placements, bus body building, recruitments of contractors, managing fuel consumption, costing of traders and coordination between workshop and operation team. He holds Higher Secondary Examination Certificate from Board of Secondary Education, Rajasthan. He has over 18 years of technical experience in field of managing workshops and managing purchase and inventory control. Prior to joining our Company he has worked with Chartered Logistics Limited. He joined our Company on April 1, 2009. His gross remuneration for the Fiscal 2018 was ₹ 0.87 million.

**Abha Sharma**, aged 49 years, is the Chief People Officer of our Company and is responsible for recruitment, orientation, training of employees, formation of policies and implementation of schemes, employee retention, human resources related compliance, exit interviews, employee engagement activities, trouble shooting and coordination between all departments. She holds a degree of Bachelor of Commerce and a degree of Master of Commerce (external) from the Gujarat University. She holds a Diploma in Human Resources Development from the National Council for Labour Management, Chennai. She has over 17 years of experience in field of human resource management. Prior to joining our Company, she has worked with Lambda Therapeutic Research Limited. She joined our Company on May 7, 2009. Her gross remuneration for the Fiscal 2018 was ₹ 0.46 million.

**Himanshu Dadheech**, aged 39 years, is our Head of Operations and Maintenance – Intercity in Ahmedabad. He holds a degree of Bachelor of Arts from the Mohanlal Sukhadia University, Udaipur. He has over 16 years of experience in the field of marketing. Prior to joining our Company, he has worked with Raj Automobiles, ICICI Prudential Life Insurance and SBI Life Insurance. He joined our Company on April 1, 2017. His gross remuneration for the Fiscal 2018 was ₹ 0.31 million.

**Roshan Agrawal**, aged 45 years, is our Cluster Chief Operating Officer in Madhya Pradesh. He has over 11 years of experience in the field of passenger transportation and over 3 years of experience in the field of sales. Prior to joining our Company, he was associated with Harsh Marketing System Private Limited, Chartered Bus Private Limited and Dayajeet Nimay Bus Logistics Private Limited. He joined our Company on September 1, 2012. His gross remuneration for the Fiscal 2018 was ₹ 1.68 million.

**Manoj Kumar Jhiriwal**, aged 46 years, is our Cluster Chief Administrative Officer in Madhya Pradesh. He is responsible for managing accounts team and supervising accounting work and overall administration of the departments under his control. He holds a Degree in Bachelor of Science from Devi Ahilya Vishwavidyalaya, Indore. He has over 11 years of experience in the field of passenger transportation and over 3 years of experience in the field of sales. Prior to joining our Company, he was associated with Harsh Marketing System Private Limited and Dayajeet Nimay Bus Logistics Private Limited. He joined our Company on September 1, 2012. His gross remuneration for the Fiscal 2018 was ₹ 1.68 million.

**Arun Menon**, aged 36 years, is our Head of Operations and Maintenance Intra-city in Ahmedabad and is responsible for maintenance, transportation, administration and operation activities of AMTS and BRTS bus operations in Ahmedabad and overall maintenance of the bus operations department and related matters. He holds a degree of Bachelor of Science from the Gujarat University and a degree of Masters of Business Administration from Sardar Patel University. He also has an award of the title of GNIIT in Systems Management from NIIT. He has over 14 years of experience in the field of sales marketing and management. Prior to joining our Company, he has worked with Future Generali India Insurance Company Limited, Bajaj Allianz General Insurance Company Limited, ICICI Lombard General Insurance Company Limited and Tata Teleservices Limited. He joined our Company on June 1, 2018.

**Nirav Prakashchandra Patel**, aged 30 years, is the Company Secretary and Compliance Officer of our Company and is responsible for secretarial compliances. He holds a degree of Bachelor of Commerce from Sardar Patel University. He is a qualified Company Secretary and is an Associate Member of the Institute of Company Secretaries of India. He has over 4 years of experience in corporate secretarial operations. Prior to joining our Company, he has worked with SAT Industries Limited and MAS Financial Services Limited. He joined our Company on March 12, 2018 and was appointed on March 17, 2018 as a Company Secretary of the Company. His gross remuneration for the Fiscal 2018 was ₹ 0.05 million.

All the above Key Managerial Personnel are permanent employees of our Company.

#### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except as disclosed under the section “-*Relationship between our Directors*” on page 177 of this Draft Red Herring Prospectus, none of our Key managerial Personnel are related to each other or to any of our Promoters or Directors.

## Contingent and deferred compensation payable to Key Management Personnel

With respect to our Key Management Personnel, there is no contingent or deferred payment accrued for Fiscal 2018.

## Shareholding of the Key Managerial Personnel

For details of shareholding of our Key Management Personnel in our Company, please see “*Capital Structure – Shareholding of our Directors and/or Key Management Personnel*” on page 82 of this Draft Red Herring Prospectus.

## Interest of our Key Managerial Personnel in our Company

Dinesh Genaramji Mistry is a director on the board of our Subsidiary, Chartered Bus Private Limited, and may be deemed to be interested to the extent of remuneration paid to him for services rendered as a Director thereof and reimbursement of expenses, if any, payable to him. Except for the foregoing, none of our Key Managerial Personnel have any interest in our Company and Subsidiaries, as the case may be, except to the extent of their remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Company or our Subsidiaries, their shareholding in our Company and our Subsidiaries, if any, loans availed from our Company and our Subsidiaries, if any.

Our Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Offer. Such Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

## Changes in our Key Managerial Personnel during the last three years

Below are the details of changes in our Key Managerial Personnel during the last three years:

| Name                       | Designation   | Date of appointment | Date of cessation/<br>resignation | Reason                      |
|----------------------------|---|---------------------|-----------------------------------|-----------------------------|
| Arun Menon                 | Head of Operations and Management                           | June 1, 2018        | -                                 | Appointment                 |
| Nirav Prakashchandra Patel | Company Secretary   | March 17, 2018      | -                                 | Appointment                 |
| Deen Bandhu Gaggar         | Chief Financial Officer                                     | March 17, 2018      | -                                 | Appointment                 |
| Himanshu Dadheech          | Head of Operations and Maintenance – Intercity in Ahmedabad | April 1, 2017       | -                                 | Appointment                 |
| Ranveer Singh              | Company Secretary   | August 20, 2016     | January 18, 2018                  | Appointment and Resignation |

## Bonus or Profit Sharing Plan for our Key Managerial Personnel

Except as disclosed in “*Terms of appointment of Executive Directors – Pankaj Kumar Gandhi*” above, our Company does not have a bonus or profit sharing plan for any of our Key Managerial Personnel.

## Loans to Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no amount outstanding under any loan given by our Company or deposit taken by our Company, to the benefit of any Key Managerial Personnel.

**Service Contracts with Key Management Personnel**

Except for the terms set forth in the appointment letters of each of the above Key Managerial Personnel, our Company or Subsidiaries have not entered into any other contractual arrangements with any of our Key Managerial Personnel.

**Payment of non-salary related benefits to officers of our Company**

Except for the remuneration for services rendered as Directors, officers or employees, no amount or benefit has been paid or given within the two years preceding the date of filing this Draft Red Herring Prospectus or is intended to be paid or given to any of the officers of our Company.

**Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The following persons are the promoters of our Company:

1. Pankaj Kumar Gandhi; and
2. Alka Pankaj Gandhi.

As on date of this Draft Red Herring Prospectus, Pankaj Kumar Gandhi holds 14,196,400 Equity Shares representing 50.61%, and Alka Pankaj Gandhi holds 13,851,080 Equity Shares representing 49.38% of the pre – Offer issued, subscribed and paid – up Equity Share Capital of our Company.

The details of our Promoter are:



#### **Pankaj Kumar Gandhi**

Pankaj Kumar Gandhi, aged 49 years, is the Managing Director of our Company. For further details, see “*Our Management*” on page 174 of this Draft Red Herring Prospectus.

Driving license number: GJ18 19990102820

Voter identification number: ZCU0514950



#### **Alka Pankaj Gandhi**

Alka Pankaj Gandhi, aged 46 years, is the Non – Executive Director of our Company. For further details, see “*Our Management*” on page 174 of this Draft Red Herring Prospectus.

Driving license number: GJ18/001158/04

Voter identification number: LPZ3917028

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Our Company confirms that the permanent account numbers, bank account numbers and the passport numbers of our Promoters shall be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus.

### Changes in the management and control of our Company

There has been no change in the management or control of our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

### **Disassociation by Promoters in the last three years**

Except as provided below, our Promoters have not disassociated themselves from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus:

*Alka Pankaj Gandhi*

| <b>Date of disassociation</b> | <b>Name of the venture</b>         | <b>Particulars</b>        |
|-------------------------------|------------------------------------|---------------------------|
| April 1, 2018                 | Chartered Autozone Private Limited | Transfer of equity shares |

### **Interest of our Promoters**

*Interest of our Promoters in the promotion of our Company*

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, see “*Capital Structure*” and “*Our Management*” on pages 82 and 174, respectively, of this Draft Red Herring Prospectus.

*Interest of our Promoters in our Company other than as Promoters*

Except as stated in the sections titled “*Our Management*” and “*Related Party Transactions*” on pages 174 and 201, respectively of this Draft Red Herring Prospectus, our Promoters do not have any interest in our Company other than as Promoters.

Further, we have entered into a trademark license agreement dated September 18, 2018 with Pankaj Kumar Gandhi, whereunder we have been assigned the trademark for our corporate logo along with the goodwill. Under the terms of the trademark license agreement, Pankaj Kumar Gandhi is entitled to receive an annual consideration of ₹ 0.5 million, subject to increments of 10% each year for the first five years after the date of execution of the agreement. Further, upon the expiry of the five year period from the date of execution of the agreement, the consideration that Pankaj Kumar Gandhi will be entitled to receive shall be determined in mutual consultation between our Company and Pankaj Kumar Gandhi.

*Interest of our Promoters in the property of our Company*

Except as stated in the sections titled “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

### **Payment of amounts or benefits to our Promoters or Promoter Group during the last two years**

Except as disclosed in the sub-section “– *Interest of Promoters*” above or “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus, no amount or benefit has been paid or given or intended to be paid or given by our Company to our Promoters or members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to our Promoters or members of our Promoter group.

### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 354 of this Draft Red Herring Prospectus.

### **Guarantees**

Except as stated in the sections “*History and Certain Corporate Matters*”, “*Related Party Transactions*” and “*Financial Indebtedness*” on pages 167, 201 and 350, respectively, of this Draft Red Herring Prospectus our Promoters have not given any guarantee to a third party as on the date of this Draft Red Herring Prospectus.

### **Related party transactions**

Except as stated in the section titled “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus, our Company has not entered into any related party transactions with our Promoters, during the last five Fiscals.

### **Confirmations**

Our Company has not made any payments in cash or otherwise to our Promoters or to the firms or companies in which our Promoters are interested as a member, director or promoters nor have our Promoters been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

For details of related party transactions entered into by our Company with our Promoters and directors, see “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus.

Further, none of our sundry debtors are related to our Promoters in any manner.

### **Our Promoter Group**

#### *(a) Individuals forming part of the Promoter Group*

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters) are as follows:

| <b>Relationship with the Promoters</b> | <b>Pankaj Kumar Gandhi</b>                                       | <b>Alka Pankaj Gandhi</b>  |
|--|--|--|
| Father                                 | -  | -  |
| Mother                                 | -  | -  |
| Brother(s)                             | Rajendra Gandhi  | Jayantilal Kothari<br>Mahendra Kothari                           |
| Sister                                 | Saroj Oswal  | Leela Jain<br>Rasila Kangtani<br>Rekha Khivesra<br>Veena Ramsina |
| Spouse                                 | Alka Pankaj Gandhi   | Pankaj Kumar Gandhi  |
| Daughter(s)                            | Kinjal Gandhi<br>Moksha Gandhi                                   | Kinjal Gandhi<br>Moksha Gandhi                                   |
| Son                                    | Sanyam Gandhi  | Sanyam Gandhi  |
| Spouse’s Father                        | -  | -  |
| Spouse’s Mother                        | -  | -  |
| Spouse’s Brother(s)                    | Jayantilal Kothari<br>Mahendra Kothari                           | Rajendra Gandhi  |
| Spouse’s Sister(s)                     | Leela Jain<br>Rasila Kangtani<br>Rekha Khivesra<br>Veena Ramsina | Saroj Oswal  |

#### *(b) Entities forming part of the Promoter Group*

The entities that form part of our Promoter Group are as follows:

| <b>Sr. No.</b> | <b>Name of the Promoter Group Entities</b>  |
|----------------|---|
|                | <b><i>Companies</i></b>                     |
| 1.             | Chartered Greentech Private Limited         |
| 2.             | Chartered Auto Components Private Limited   |
| 3.             | Chartered NextGen Solutions Private Limited |
| 4.             | Chartered Bike Private Limited              |
| 5.             | Chartered Autozone Private Limited          |
| 6.             | Raman Holding Private Limited               |
| 7.             | Asian Brakes Private Limited                |
| 8.             | Chartered Marbles Private Limited           |
| 9.             | Rise Auto Private Limited                   |
|                | <b><i>Partnership Firm</i></b>              |
| 10.            | M/s. Moraiya Developers                     |
|                | <b><i>HUFs</i></b>                          |
| 11.            | Pankajkumar Gandhi (HUF)                    |

The Promoter Group of our Company does not include Lalit Gandhi and/ or Kishore Gandhi, brothers of Pankaj Kumar Gandhi, our individual Promoter, or any entity in which Lalit Gandhi and Kishore Gandhi may have an interest; since our Company has received a letter dated September 14, 2018 from Lalit Gandhi and a letter dated September 12, 2018 from Kishore Gandhi (“**Disassociation Letters**”) instructing our Company not to include them or the entities controlled by them as a part of the promoter or promoter group of our Company. Pursuant to the Disassociation Letters, it has been declared that Lalit Gandhi and Kishore Gandhi should not be included as member of the Promoter Group since (i) Lalit Gandhi and Kishore Gandhi do not have any interest in Chartered Speed Limited, either by themselves and/ or through their respective siblings, spouse and children, directly or indirectly, in each other’s business and/or business entities; (ii) there was an arrangement agreed upon between Pankaj Kumar Gandhi, Lalit Gandhi and Kishore Gandhi, which though undocumented was the basis on which Lalit Gandhi had taken steps to remove Pankaj Kumar Gandhi and/ or Alka Pankaj Gandhi, and any entities promoted, operated and controlled by Pankaj Kumar Gandhi and/or Alka Pankaj Gandhi from the list of promoter group for Chartered Logistics Limited effective from August 30, 2014 and (ii) except to the extent of 1,957,816 equity shares (being 1.97% of the equity shares capital of Chartered Logistics Limited) held by Chartered Speed Limited in Chartered Logistics Limited, Lalit Gandhi and Kishore Gandhi are in no way connected, including by way of shareholding interest or of control, either directly or indirectly, with respect to each other’s business ventures. Accordingly, Lalit Gandhi and Kishore Gandhi or any entities in which Lalit Gandhi and Kishore Gandhi may have interest directly or indirectly (including listed companies they may be associated with) are not being named as members of our Promoter Group in this Draft Red Herring Prospectus.

#### **Shareholding of the Promoter Group in our Company**

For details in relation to the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus, see “*Capital Structure –Shareholding of our Promoters and other members of our Promoter Group*” on page 82 of this Draft Red Herring Prospectus.

#### **Other Confirmations**

Our Promoters and members of our Promoter Group 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. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been declared as willful defaulters as defined under the SEBI ICDR Regulations.

Our Promoters are not and have never been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of “group companies” in relation to the disclosure in Issue documents, our Company has considered:

- companies covered under applicable accounting standards (i.e., companies disclosed as related parties in accordance with Accounting Standard 18 issued by the ICAI / Ind AS 24) as per the Restated Consolidated Financial Information; and
- such other companies that are considered material by our Board pursuant to the materiality policy adopted by the Company by a board resolution dated September 10, 2018 for the purposes of disclosure as a group company in connection with the Offer.

Pursuant to a resolution of our Board dated September 10, 2018, for the purpose of disclosure in the Draft Red Herring Prospectus, a company shall be considered material by our Board if such company:

- (a) is a member of the Promoter Group and has entered into one or more transactions with the Company in the most recent Fiscal which, individually or in the aggregate, equals or exceeds 10% of the standalone revenue of the Company for the most recent Fiscal (“**Relevant Date**”), or
- (b) would, subsequent to the Relevant Date, require disclosure in the financial statements of the Company for subsequent periods as entities covered under AS 18 under Indian GAAP and Ind AS 24, as may be applicable in addition to / other than those companies covered under the schedule of related party relationships in terms of the Applicable Accounting Standard in the Restated Standalone Financial Statements included in the offer documents.

For avoidance of doubt, it is clarified that the subsidiaries of our Company shall not be considered as ‘group companies’. It is further clarified that any companies which, in the last five years (including any stub period in respect of which financial statements are included in the offer documents, such period collectively referred to as the “**Relevant Period**”) or subsequent to the Relevant Period, have ceased to be related parties of the Company in terms of Applicable Accounting Standard solely on account of there being no significant influence / control over such company in terms of the Applicable Accounting Standard after the Relevant Period have not been considered as ‘group companies’, for the purpose of disclosure in the offer documents.

Accordingly, based on the foregoing, following are the Group Companies of our Company:

1. Chartered Auto Components Private Limited;
2. Chartered Autozone Private Limited;
3. Chartered Nextgen Solutions Private Limited;
4. Chartered Marbles Private Limited;
5. Raman Holding Private Limited;
6. Chartered Greentech Private Limited; and
7. Rise Auto Private Limited.

### **Our 5 (five) largest Group Companies by Turnover**

1. Chartered Auto Components Private Limited;
2. Chartered Autozone Private Limited;
3. Chartered Nextgen Solutions Private Limited;
4. Chartered Marbles Private Limited; and
5. Raman Holding Private Limited.

### **Other Group Companies**

1. Chartered Greentech Private Limited; and

## 2. Rise Auto Private Limited.

Set forth below are the details of our five largest Group Companies by turnover, as on the date of this Draft Red Herring Prospectus:

### 1. Chartered Auto Components Private Limited (“Auto Components”)

#### Corporate Information

Auto Components is a private limited company and was incorporated on February 5, 2013 under the Companies Act, 1956 with the RoC. Auto Components is engaged in the business of manufacturing, design, development, applying, interpreting, analyzing, improving and buying, selling, importing, exporting, acquiring, licensing, operating, assembling, repairing, reconditioning, altering, converting, improving, installing and modifying all types of automobile pipes, diesel pipes, brake pipes, air pipes, power steering pipes, hydraulic hose, brake pipe, fuel injection pipe and more.

#### Interest of our Promoters

Neither of our Promoters hold any equity shares of Auto Components. Further, Pankaj Kumar Gandhi is a director on the board of Auto Components and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him. Additionally, the registered office of Auto Components is located on land which is leased to it by Pankaj Kumar Gandhi under a rent agreement dated May 1, 2018. Under the rent agreement, Pankaj Kumar Gandhi is entitled to receive an amount of ₹ 35,000 per month as rent from Auto Components, with an option of 10% increase each year for renewal of the agreement.

#### Financial Information

Set forth below is the financial information of Auto Components based on its audited financial statements for the last three Fiscals:

| Particulars   | <i>(In ₹ million, except for per share data)</i> |                |                |
|---|--|----------------|----------------|
|   | March 31, 2017                                   | March 31, 2016 | March 31, 2015 |
| Equity Capital  | 0.10   | 0.10           | 0.10           |
| Reserves and Surplus (excluding revaluation reserves) | 0.01   | 0.16           | 0.08           |
| Total revenue   | 26.31  | 10.95          | 5.07           |
| Profit (Loss) after Tax                               | (0.15)   | 0.08           | 0.06           |
| Basic EPS   | (14.89)  | 8.28           | 5.59           |
| Diluted EPS   | (14.89)  | 8.28           | 5.59           |
| Net Asset Value per equity share                      | 11.43  | 26.33          | 18.04          |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

### 2. Chartered Autozone Private Limited (“Autozone”)

#### Corporate Information

Autozone is a private limited company and was incorporated on March 30, 2012 under the Companies Act, 1956 with the RoC. Autozone is engaged in the business, *inter alia*, of sale of auto components and spare parts and sale of car care services.

#### Interest of our Promoters

| Name of the Promoter | Number of equity shares | % of shareholding |
|----------------------|-------------------------|-------------------|
| Alka Pankaj Gandhi   | 2,500                   | 25.00             |

|              |              |              |
|--------------|--------------|--------------|
| <b>Total</b> | <b>2,500</b> | <b>25.00</b> |
|--------------|--------------|--------------|

Other than as disclosed hereinabove, Pankaj Kumar Gandhi and Alka Pankaj Gandhi are also directors on the board of Autozone and 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 or reimbursement of expenses payable to them. Additionally, the registered office of Autozone is located on land which is leased to it by Pankaj Kumar Gandhi under a rent agreement dated April 1, 2018. Under the rent agreement, Pankaj Kumar Gandhi is entitled to receive an amount of ₹ 5,000 per month from Autozone as rent, with an option to increase by 10% each year for renewal of the agreement.

#### *Financial Information*

Set forth below is the financial information of Autozone based on its audited financial statements for the last three Fiscals:

| <b>Particulars</b>                                    | <i>(In ₹ million, except for per share data)</i> |                       |                       |
|---|--|-----------------------|-----------------------|
|   | <b>March 31, 2018</b>                            | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
| Equity Capital  | 0.10   | 0.10                  | 0.10                  |
| Reserves and Surplus (excluding revaluation reserves) | (7.34)   | (6.69)                | (3.19)                |
| Total revenue   | 26.33  | 25.62                 | 26.51                 |
| Profit (Loss) after Tax                               | (0.65)   | (3.51)                | 0.55                  |
| Basic EPS   | (65.40)  | (350.61)              | 54.74                 |
| Diluted EPS   | (65.40)  | (350.61)              | 54.74                 |
| Net Asset Value per equity share                      | (724.31)   | (659.38)              | (308.77)              |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

### **3. Chartered Nextgen Solutions Private Limited (“Nextgen”)**

#### *Corporate Information*

Nextgen is a private limited company and was incorporated on May 25, 2015 under the Companies Act, 2013 as ‘*Traffilog India Private Limited*’ with the RoC. Thereafter, pursuant to a resolution of the shareholders of Nextgen, the name of the company was changed to ‘*Chartered Nextgen Solutions Private Limited*’ and the fresh Certificate of Incorporation was issued by the RoC on February 3, 2016. Nextgen is engaged in the business of, *inter alia*, importing, developing and trading of high technology auto parts e.g. auto driver mode technology for cars.

#### *Interest of our Promoters*

| <b>Name of the Promoter</b> | <b>Number of equity shares</b> | <b>% of shareholding</b> |
|-----------------------------|--------------------------------|--------------------------|
| Pankaj Kumar Gandhi         | 15,000                         | 30.00                    |
| <b>Total</b>                | <b>15,000</b>                  | <b>30.00</b>             |

Other than as disclosed hereinabove, Pankaj Kumar Gandhi is also a director on the board of Nextgen and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

#### *Financial Information*

Set forth below is the financial information of Nextgen based on its audited financial statements for the Fiscals 2017 and 2016, since it was incorporated on May 25, 2015:

| <b>Particulars</b>                                    | <i>(In ₹ million, except for per share data)</i> |                       |
|---|--|-----------------------|
|   | <b>March 31, 2017</b>                            | <b>March 31, 2016</b> |
| Equity Capital  | 0.50   | 0.50                  |
| Reserves and Surplus (excluding revaluation reserves) | (0.08)   | (0.77)                |

|                                  |       |         |
|----------------------------------|-------|---------|
| Total revenue                    | 5.27  | 0.32    |
| Profit (Loss) after Tax          | 0.69  | (0.77)  |
| Basic EPS                        | 13.89 | (15.44) |
| Diluted EPS                      | 13.89 | (15.44) |
| Net Asset Value per equity share | 8.4   | (5.4)   |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

#### 4. Chartered Marbles Private Limited (“Marbles”)

##### *Corporate Information*

Marbles is a private limited company and was incorporated on January 6, 2014 under the Companies Act, 1956 with the RoC. Marbles is primarily engaged in the business of, *inter alia*, exploring, operating and working on mines and quarries.

##### *Interest of our Promoters*

Pankaj Kumar Gandhi is a director on the board of Marbles and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

##### *Financial Information*

Set forth below is the financial information of Marbles based on its audited financial statements for the last three Fiscals:

| Particulars   | <i>(In ₹ million, except for per share data)</i> |                |                |
|---|--|----------------|----------------|
|   | March 31, 2018                                   | March 31, 2017 | March 31, 2016 |
| Equity Capital  | 0.10   | 0.10           | 0.10           |
| Reserves and Surplus (excluding revaluation reserves) | (4.09)   | (2.86)         | (0.81)         |
| Total revenue   | 2.13   | 0.34           | 0.90           |
| Profit (Loss) after Tax                               | (1.23)   | (2.05)         | (0.81)         |
| Basic EPS   | (123.28)   | (204.75)       | (80.78)        |
| Diluted EPS   | (123.28)   | (204.75)       | (80.78)        |
| Net Asset Value per equity share                      | (399.41)   | (276.14)       | (71.39)        |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

#### 5. Raman Holding Private Limited (“Raman”)

##### *Corporate Information*

Raman is a private limited company and was incorporated on June 7, 2007 under the Companies Act, 1956 with the RoC. Raman is engaged in the business of, *inter alia*, cargo and logistics.

##### *Interest of our Promoters*

As on date of this Draft Red Herring Prospectus, neither of our Promoters hold any equity shares of Raman. Further, Pankaj Kumar Gandhi is a director on the board of Raman and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

##### *Financial Information*

Set forth below is the financial information of Raman based on its audited financial statements for the last three Fiscals:  
(In ₹ million, except for per share data)

| <b>Particulars</b>                                    | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>March 31, 2015</b> |
|---|-----------------------|-----------------------|-----------------------|
| Equity Capital  | 0.10                  | 0.10                  | 0.10                  |
| Reserves and Surplus (excluding revaluation reserves) | 2.36                  | 2.93                  | 1.47                  |
| Total revenue   | 0.06                  | 10.56                 | 5.37                  |
| Profit (Loss) after Tax                               | (0.56)                | 1.45                  | 0.96                  |
| Basic EPS   | (56.18)               | 145.32                | 96.24                 |
| Diluted EPS   | (56.18)               | 145.32                | 96.24                 |
| Net Asset Value per equity share                      | 246.34                | 302.51                | 157.19                |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

*Set forth below are the details of our other Group Companies*

### **1. Chartered Greentech Private Limited (“Greentech”)**

#### *Corporate Information*

Greentech is a private limited company and was incorporated on September 5, 2012 as ‘Merisuraksha Assurance Brokers Private Limited’ under the Companies Act, 1956 with the RoC. Thereafter, by a resolution passed by the shareholders of the company at the extra-ordinary general meeting held on June 3, 2016 the name of the company was changed to ‘Chartered Greentech Private Limited’. Greentech is engaged in the business of import and manufacture of green technology, e.g. renewable energy sources, etc.

#### *Interest of our Promoters*

| <b>Name of the Promoter</b> | <b>Number of equity shares</b> | <b>% of shareholding</b> |
|-----------------------------|--------------------------------|--------------------------|
| Pankaj Kumar Gandhi         | 9,900                          | 99.00                    |
| <b>Total</b>                | <b>9,900</b>                   | <b>99.00</b>             |

Other than as disclosed hereinabove, Pankaj Kumar Gandhi is also a director on the board of Greentech and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

### **2. Rise Auto Private Limited (“Rise”)**

#### *Corporate Information*

Rise is a private limited company and was incorporated on April 20, 2012 under the Companies Act, 1956 with the RoC. Rise is engaged in, inter alia, the business of sale, import, export, servicing, trading of motor vehicles including wholesale and retail sale of new and used. Rise has entered into an Authorised Service Operations Agreement with Chevrolet Sales India Private Limited for servicing of motor vehicles marketed under the brand ‘Chevrolet’.

#### *Interest of our Promoters*

As on date of this Draft Red Herring Prospectus, neither of our Promoters hold any equity shares of Rise. Further, neither of our Promoters is a director on the board of Rise. However, the registered office of Rise is located on land which is leased to it by Pankaj Kumar Gandhi under a rent agreement dated May 1, 2018. Under the rent agreement, Pankaj Kumar Gandhi is entitled to receive an amount of ₹ 60,000 per month as rent from Rise, with an option to increase by 10% each year for renewal of the agreement.

## Loss making Group Companies

The following table provides the details of our Group Companies which have incurred loss based on its audited financial statements for the last three Fiscals:

| Sr. No. | Name of the Group Company                 | Profit/(Loss) |             |             |             |
|---------|---|---------------|-------------|-------------|-------------|
|         |   | Fiscal 2018   | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
| 1.      | Chartered Auto Components Private Limited | -             | (0.15)      | 0.08        | 0.06        |
| 2.      | Chartered Autozone private Limited        | (0.65)        | (3.51)      | 0.55        | 3.96        |
| 3.      | Chartered Marbles Private Limited         | (1.23)        | (2.05)      | (0.81)      | 0.00        |
| 4.      | Raman Holding Private Limited             | -             | (0.56)      | 1.45        | 0.96        |
| 5.      | Chartered Greentech Private Limited       | -             | (0.07)      | 0.01        | (0.01)      |

## Interest of Group Companies in our Company

### (a) Business interests

Except as disclosed in “*Related Party Transactions*” on page 201 of this Draft Red Herring Prospectus, none of our Group Companies have any interest in the promotion or any business interest or other interests in our Company.

### (b) In the properties acquired or proposed to be acquired by our Company in the past two years preceding the filing of this Draft Red Herring Prospectus with SEBI

Except as disclosed above, 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 with SEBI.

### (c) In the transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

## Common Pursuits amongst the Group Companies with our Company

Certain of our Group Companies are authorised under their respective memoranda of association to engage in businesses which are similar and/ or synergistic to our business. However, none of them are currently engaged in any such businesses. Consequently, there is no conflict of interest between any of our Group Companies and our Company.

## Related business transactions with our Group Companies and significance on the financial performance of our Company

For further information, see “*Related Party Transactions*” on page 201 this Draft Red Herring Prospectus.

## Sale / purchase between our Group Companies and our Company

Our Group Companies are not 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 Group Companies

None of our Group Companies are defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus.

## Sick Group Companies

None of our Group Companies are sick industrial companies under the erstwhile SICA, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up proceedings or insolvency or bankruptcy proceedings have been initiated against them.

**Other confirmations**

None of our Group Companies are listed on any stock exchange and they have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in preceding three years.

Further, none of our Group Companies have been debarred from accessing the capital market for any reasons by SEBI or any other authorities nor have been identified as Wilful Defaulters.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, during the last five Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Financial Statements*”, beginning on page 203 this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

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.

Our Company has not declared any dividends during the last five Financial Years.

**SECTION V – FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

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**Financial Statements**

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Restated Consolidated Financial Statements

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Restated Standalone Financial Statements

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**Auditors' Report on Financial Information in Relation to Draft Red Herring Prospectus ("DRHP") of Chartered Speed Limited (collectively, the "Restated Consolidated Summary Statements")**

To,  
The Board of Directors,  
Chartered Speed Limited [Formerly Chartered Speed Private Limited]  
Sarkhej Bavla Highway, Sanathal,  
Sarkhej, Ahmedabad – 382 210.

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated 10<sup>th</sup> September, 2018.
2. We have examined the attached Restated Consolidated Summary Statements of **Chartered Speed Limited [formerly Chartered Speed Private Limited]** (hereinafter referred to as the "Holding Company" or "Company"), its subsidiaries [the Holding Company and its subsidiary together referred to as 'the Group'] and its associates, which comprise of Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Summary of Significant Accounting Policies annexed to this report and prepared by the management of Holding Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer of equity shares ("IPO"). The Restated 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) Section 26 of Part I of Chapter III of the Companies Act, 2013 (hereinafter referred to as the "Act"), read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and
  - b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "ICDR Regulations").

**Management's Responsibility for the Restated Consolidated Summary Statements**

3. The preparation of the Restated Consolidated Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Holding company and has been approved by the Board of Directors of the Company, at its meeting held on 22<sup>nd</sup> September, 2018 for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining internal control

relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

#### **Auditors' Responsibilities**

4. We have examined such Restated Consolidated Summary Statements taking into consideration:
  - a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated 10<sup>th</sup> September, 2018, requesting us to carry out work such assignment in connection with the proposed IPO.
  - 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 read with applicable provisions within Rule 4 to 6 of the Rules 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.
5. Our examination of the Restated Consolidated Summary statements has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), standards of the US Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

#### **A. Consolidated Summary Statements as per Audited Consolidated Summary Statements:**

6. The Restated 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 Companies Act, 2013 for the years ended March 31, 2018, 2017 and 2016 and the restated Consolidated Summary statements for the years ended March 31, 2015 and 2014 as per Previous GAAP in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 have been compiled and prepared by the management from:
  - a) the audited Consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meeting held on August 28, 2018; and
  - b) the audited Consolidated financial statements of the Company as at and for each of the years ended March 31, 2017; 2016; 2015 and 2014, prepared in accordance with accounting principles generally accepted followed in India ("Previous GAAP" or "IGAAP")

at the relevant time, which have been approved by the Board of Directors at their meetings held on September 29, 2017; September 1, 2016; September 5, 2015 and August 30, 2014 respectively.

7. For the purpose of our examination, we have relied on:
  - a) Auditors' report issued by Himanshu Gandhi dated September 29, 2017 on the Consolidated financial statements of the company as at and for the year ended March 31, 2017, as referred to paragraph 6(b) above;
  - b) Auditors' report issued by M/s. Gandhi Gandhi & Co. dated September 1, 2016 on the Consolidated financial statements of the company as at and for the year ended March 31, 2016, as referred to paragraph 6(b) above;
  - c) Auditors' report issued by Himanshu Gandhi dated September 3, 2015 on the Consolidated financial statements of the company as at and for the year ended March 31, 2015, as referred to paragraph 6(b) above; and
  - d) Auditors' report issued by Himanshu Gandhi dated September 4, 2014 on the Consolidated financial statements of the company as at and for the year ended March 31, 2014, as referred to paragraph 6(b) above.
8. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that we have examined the following summarized financial information of the group in Restated Consolidated summary Statements attached to this report have been arrived at after making material adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Note No. 54 in "Annexure 5A" in the Consolidated Ind AS Summary Statements and Note No. 37 in the Consolidated IGAAP Summary Statements as per Previous GAAP, read with Paragraph 10 and 11 below:
  - a) The attached Restated Summary Statement of Assets and Liabilities of the company as at March 31, 2018, 2017 and 2016 in "Annexure 1A" and as at March 31, 2015 and 2014 in "Annexure 1B" examined by us.
  - b) The attached Restated Summary Statement of Profit and Loss of the company for the years ended March 31, 2018, 2017 and 2016 in "Annexure 2A" and for the year ended March 31, 2015 and 2014 in "Annexure 2B" examined by us,
  - c) The attached Restated Summary Statement of Changes in equity of the Company for each of the years ended March 31, 2018, 2017 and 2016 examined by us, as set out in "Annexure 3" to this report,

- d) The attached Restated summary statement of cash flows of the Company for the years ended March 31, 2018, 2017 and 2016 in “Annexure 4A” and for the years ended March 31, 2015 and 2014 in “Annexure 4B” examined by us,
- e) The attached Restated Consolidated Summary statement of accounting ratios, as requested by the holding company, for the years ended March 31, 2018, 2017 and 2016 in Note No. 50 in “Annexure 5A” and for the years ended March 31, 2015 and 2014 in Note No. 35 in “Annexure 5B” examined by us,
- f) The attached Restated Consolidated Summary statement of Capitalization, as requested by the holding company, for the years ended March 31, 2018 in Note No. 51 in “Annexure 5A” examined by us,
- g) The attached details of dividend, as requested by the holding company, in Restated Consolidated Summary statement for the years ended March 31, 2018, 2017 and 2016 in Note No. 49 in “Annexure 5A” and for the years ended March 31, 2015 and 2014 in Note No. 33 in “Annexure 5B” examined by us,
- h) Based on our examination and according to the information and explanations given to us, we further report that the restated Consolidated Summary statements of the company, as attached to this report, read with basis of preparation and respective significant accounting policies in Standalone Ind AS Summary statements of the company along with related notes for the year ended on March 31, 2018, 2017 and 2016 in “Annexure 5A” and Restated Consolidated Summary statements of the company as per Previous GAAP for the year ended on March 31, 2015 and 2014 in “Annexure 5B”. We further report that the said Restated consolidated summary statements-
  - i. have been made after making such material adjustments and regroupings/reclassifications, as fully described in the Note No. 54 in “Annexure 5A” in the Consolidated Ind AS Summary Statements and Note No. 37 in the Consolidated IGAAP Summary Statements as per Previous GAAP, for the changes in significant accounting policies, having material impact on the restated Consolidated Summary Statements, retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for respective reporting periods under Ind AS and Previous GAAP;
  - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate;
  - iii. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements; and
  - iv. there are no qualifications in the auditors’ reports on the audited Consolidated financial statements of the Company as at and for each of the years ended

March 31, 2018, 2017, 2016, 2015 and 2014, which require any adjustments to the Restated Consolidated Summary Statements except for the following qualification included in the auditor's report on the Consolidated financial statements as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which have not been adjusted to the Restated Consolidated Summary Statements as, in our opinion, it does not require any corrective adjustment in the Restated consolidated summary Statement:

**A. AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018:**

Other Matters:

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 were audited and reported by another firm of Chartered Accountants, who had expressed a qualified opinion vide report dated 29<sup>th</sup> September, 2017 in respect of certain assets, income and expenses of a Sirohi division of a company whose records destroyed due to heavy floods in the said area. Our opinion is not qualified in respect of this matter as the assets and liabilities of the said division as on 31<sup>st</sup> March, 2018 are not material as compared to total operations and assets of the Company as a whole.

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year ended March 31, 2018:**

Other Matters:

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 were audited and reported by another firm of Chartered Accountants, who had expressed a qualified opinion on the internal controls over financial reporting vide their report dated 29<sup>th</sup> September, 2017 as the company did not have sufficient and appropriate audit evidence in respect of certain assets, income and expenses of a Sirohi division of a company whose records destroyed due to heavy floods in the said area. Our opinion is not qualified in respect of this matter as the assets and liabilities of the said division as on 31<sup>st</sup> March, 2018 are not material as compared to total operations and assets of the Company as a whole.

**B. AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017:**

**Paragraph 8 of the Auditors' report:**

**Basis for Qualified Opinion:**

As detailed in Note 39 to the financial statements, the company's assets include amounts aggregating INR 7.91 Million as at March 31, 2017 and income and expenses include amounts aggregating INR 120.08 Million and INR 114.61 Million respectively for the year ended on that date, in respect of which we were unable to obtain sufficient appropriate audit evidence due to the reasons mentioned in the aforesaid note. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the existence, completeness, carrying value and classification of these amounts and the consequential impact, if any, on the accompanying financial statements.

Note No 39 is reproduced as under:

The company is having one of its divisions at Sirohi district, Rajasthan. This division was in trading business of automobile parts and tyres and oil and lubricants. During the last week of July 2017, this division had faced unexpected floods and all the documents and records pertaining to that division got destroyed in floods and the Company was unable to provide relevant records to the statutory auditors of the Company. The aforesaid division had assets and liabilities aggregating INR 16.86 Million and INR 1.19 Million respectively as at 31 March 2017 and the statement of Profit and Loss includes income and expenses aggregating INR 120.27 Million and INR 122.60 Million respectively for the year ended on that date.

This matter was subject matter for qualification in the year ended March 31, 2017.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

**Paragraph 12 (i) (iv) of Report on other legal and regulatory requirements:**

The company has provided disclosures in Note 34 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the

bank of accounts maintained by the company. However, owing to the nature of records of the company and in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, permitted/ non-permitted payments and amount deposited in banks.

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2017**

**I. Paragraph 3 of Annexure A of the report:**

The company has granted interest free unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013; and with respect to the same:

- a. We report that the company has granted interest free unsecured loans to three companies, amounting to INR 108.46 Million (as at March 31, 2017 INR Nil) in respect of which adequate explanation has not been provided to us of any benefit accruing to the company for giving such a loan. In the absence of necessary board resolution and other relevant records, we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the company;
- b. The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular.

**II. Paragraph (iv) of the report:**

In our opinion, the company has not complied with the provisions of section 185 of the Act in respect of the loans given, the details of the same are as follows:

| Party  | Maximum amount outstanding during the year (INR Million) | Amount outstanding as at March 31, 2017 (INR Million) | Remarks, if any   |
|--|--|---|---|
| Chartered Auto Component Private Limited [*] | 2.1  | Nil   | The company has given loan and the same has been received back during the year. |
| Chartered Autozone Private Limited [*]       | 10.75  | Nil   |   |
| Chartered Bike Private Limited               | 13.13  | Nil   |   |
| Chartered Marbles Private Limited [*]        | 4  | Nil   |   |

|   |       |     |  |
|---|-------|-----|--|
| Sanyam Gandhi [#]                             | 12.69 | Nil |  |
| [*] Common directorship of Mr. Pankaj Gandhi. |       |     |  |
| [#] Relative of director.                     |       |     |  |

In our opinion, the company has not complied with the provisions of section 186 of the Act. The details of non-compliances are as under-

| Particulars  | Name of the company                      | Amount involved (INR Million) | Balance as at March 31, 2017 (INR Million) |
|--|--|-------------------------------|--|
| Interest free loan given and non-maintenance of register | Chartered Auto Component Private Limited | 21.38                         | Nil  |
|  | Chartered Autozone Private Limited       | 54.75                         | Nil  |
|  | Chartered Bus Private Limited            | 33.55                         | Nil  |
|  | Chartered Bike Private Limited           | 32.33                         | Nil  |
|  | Chartered Marbles Private Limited        | 2.85                          | Nil  |
|  | Sanyam Gandhi                            | 12.69                         | Nil  |

III. **Paragraph (vii) of Annexure-A of the report:**

(a). Undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year ended March 31, 2017:**

**Basis for Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2017:

As detailed in Note 39 to the financial statements, the company did not have sufficient and appropriate audit evidence with respect to revenue, inventory and operating expenses and related assets and liabilities. In absence of sufficient and appropriate audit evidence, we are unable to comment on the design and operating effectiveness of internal controls related to the aforesaid processes, potential misstatement and resultant impact on the profit/ loss and the reserves and surplus as at and for the year ended 31<sup>st</sup> March, 2017.

A “material weakness” is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company’s financial statements will not be prevented or detected on a timely basis.

Note No 39 is reproduced in the above paragraph 8 (h) (iv) (B) of this report.

This matter was subject matter for qualification in the year ended March 31, 2017.

**Qualified Opinion:**

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has, in all material respects adequate IFCoFR and such IFCoFR were operating effectively as at 31<sup>st</sup> March, 2017, based on internal control financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company, as at and for the year ended 31<sup>st</sup> March, 2017, and this material weaknesses have affected our opinion on the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.

9. We have not audited any Consolidated Financial Statements of the Company as at any date or for any period subsequent to March 31, 2018. Accordingly, we do not express any opinion on the financial position, results of operations, cash flows or changes in equity of the Company as at any date or for any period subsequent to March 31, 2018.
10. According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors as mentioned in paragraph 7 above, in our opinion, the Restated Consolidated Summary statements and the above Restated financial information contained in the relevant Annexures accompanying this report read with summary of significant accounting policies disclosed therein, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR regulations and the Guidance note.

11. According to information and explanation given to us in our opinion, the Proforma Restated Ind AS Consolidated Summary Statements of the Company as at March 31, 2016 and for the year ended March 31, 2015 read with Summary of Significant Accounting Policies disclosed therein, are prepared after making proforma adjustments and have been prepared in accordance with the Rules, the ICDR Regulations and the Guidance Note.
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 or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statement referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**Restriction on Use**

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Issue, to be filed by the Company with the SEBI and the concerned stock exchanges.

For Mukesh M. Shah & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 106625W

Karnik K. Shah  
Partner  
Membership No: 129675  
Place: Ahmedabad  
Date: September 22, 2018

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 1A - Restated Consolidated Ind AS Summary Statement of Assets and Liabilities as at March 31, 2018, 2017 and 2016**

| Particulars  | Note<br>No. of<br>Annexure 5A | INR Million                           |                 |                              |
|--|-------------------------------|---------------------------------------|-----------------|------------------------------|
|  |                               | As at                                 |                 |                              |
|  |                               | March 31, 2018                        | March 31, 2017  | March 31, 2016<br>[Proforma] |
| <b>ASSETS:</b>   |                               |                                       |                 |                              |
| <b>Non-Current Assets:</b>   |                               |                                       |                 |                              |
| Property, Plant and Equipment  | 3 [A]                         | 474.23                                | 611.37          | 455.33                       |
| Capital work-in-progress   | 3 [B]                         | 70.22                                 | 1.25            | 9.57                         |
| Goodwill   | 3 [C]                         | 8.77                                  | 8.72            | 9.41                         |
| Other Intangible Assets  | 3 [C]                         | 8.17                                  | -               | -                            |
| Intangible Assets under Development  | 3 [D]                         | -                                     | 14.90           | -                            |
| Investment in Associate  | 4                             | -                                     | -               | -                            |
| Financial Assets:  |                               |                                       |                 |                              |
| Other Financial Assets   | 5                             | 5.56                                  | 15.89           | 13.19                        |
| Other Non-Current Assets   | 6                             | 47.57                                 | 54.68           | 60.38                        |
| Assets for Current tax [Net]   | 7                             | 4.37                                  | 4.39            | 0.08                         |
| Deferred Tax Assets [Net]  | 8                             | 29.42                                 | 9.20            | 18.56                        |
|  |                               | <b>648.31</b>                         | <b>720.40</b>   | <b>566.52</b>                |
| <b>Current Assets:</b>   |                               |                                       |                 |                              |
| Inventories  | 9                             | 43.52                                 | 5.25            | 21.47                        |
| Financial Assets:  |                               |                                       |                 |                              |
| Investments  | 10                            | 148.16                                | 146.06          | 99.38                        |
| Trade Receivables  | 11                            | 233.87                                | 197.63          | 152.91                       |
| Cash and Cash Equivalents  | 12                            | 46.65                                 | 91.14           | 72.26                        |
| Loans  | 13                            | 0.41                                  | -               | 0.28                         |
| Other Current Financial Assets   | 14                            | 188.18                                | 9.47            | 3.22                         |
| Other Current Assets   | 15                            | 54.89                                 | 43.46           | 30.93                        |
|  |                               | <b>715.68</b>                         | <b>493.01</b>   | <b>380.45</b>                |
| <b>Total</b>   |                               | <b>1,363.99</b>                       | <b>1,213.41</b> | <b>946.97</b>                |
| <b>EQUITY AND LIABILITIES:</b>   |                               |                                       |                 |                              |
| <b>Equity:</b>   |                               |                                       |                 |                              |
| Equity Share Capital   | 16                            | 70.12                                 | 69.90           | 69.90                        |
| Other Equity   | 17                            | 521.33                                | 370.39          | 228.51                       |
| Equity attributable to the equity holders of the Parent  |                               | <b>591.45</b>                         | <b>440.29</b>   | <b>298.41</b>                |
| Non-controlling Interest   |                               | <b>(0.96)</b>                         | <b>1.06</b>     | <b>(0.98)</b>                |
|  |                               | <b>590.49</b>                         | <b>441.35</b>   | <b>297.43</b>                |
| <b>Non-Current Liabilities:</b>  |                               |                                       |                 |                              |
| Financial Liabilities:   |                               |                                       |                 |                              |
| Borrowings   | 18                            | 276.08                                | 343.44          | 364.61                       |
| Other Financial Liabilities  | 19                            | 9.91                                  | 5.00            | -                            |
| Provisions   | 20                            | 12.56                                 | 9.25            | 2.66                         |
|  |                               | <b>298.55</b>                         | <b>357.69</b>   | <b>367.27</b>                |
| <b>Current Liabilities:</b>  |                               |                                       |                 |                              |
| Financial Liabilities:   |                               |                                       |                 |                              |
| Borrowings   | 21                            | 122.62                                | 118.82          | 40.64                        |
| Trade Payables   | 22                            | 13.02                                 | 10.51           | 19.30                        |
| Other Financial Liabilities  | 23                            | 299.27                                | 258.31          | 206.43                       |
| Other Current Liabilities  | 24                            | 4.48                                  | 2.86            | 2.74                         |
| Provisions   | 25                            | 16.47                                 | 23.87           | 0.30                         |
| Current Tax Liabilities [Net]  | 26                            | 19.09                                 | -               | 12.86                        |
|  |                               | <b>474.95</b>                         | <b>414.37</b>   | <b>282.27</b>                |
| <b>Total</b>   |                               | <b>1,363.99</b>                       | <b>1,213.41</b> | <b>946.97</b>                |
| <b>Significant Accounting Policies</b>   | 2                             |                                       |                 |                              |
| <b>Notes to the consolidated summary financial statements</b>  | 1 to 55                       |                                       |                 |                              |
| <b>The accompanying summary of significant accounting policies and notes to Consolidated summary statement (Annexure-5A ) are an integral part of this statement</b> |                               |                                       |                 |                              |
| <u>As per our report of even date</u>  |                               | <u>For and on behalf of the Board</u> |                 |                              |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W  |                               | Managing Director                     |                 |                              |
| Karnik K. Shah<br>Partner<br>Membership Number: 129675<br>Ahmedabad, Dated September 22,2018   | Chief Financial Officer       | Company Secretary                     | Director        |                              |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 2A - Restated Consolidated Ind AS Summary Statement of Profit and Loss for the year ended March 31, 2018, 2017 and 2016**

| Particulars   | Note<br>No. of<br>Annexure 5A | INR Million         |          |                    |
|---|-------------------------------|---------------------|----------|--------------------|
|   |                               | Year ended March 31 |          |                    |
|   |                               | 2018                | 2017     | 2016<br>[Proforma] |
| Revenue from Operations   | 28                            | 2,562.76            | 2,370.02 | 2,013.41           |
| Other Income  | 29                            | 23.27               | 59.35    | 5.51               |
| <b>Total Income</b>   |                               | <b>2,586.03</b>     | 2,429.37 | 2,018.92           |
| <b>EXPENSES:</b>  |                               |                     |          |                    |
| Cost of Materials Consumed  | 30                            | -                   | 96.78    | 0.33               |
| Purchases of Stock-in-Trade   | 31                            | 14.28               | 104.51   | 190.81             |
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade | 32                            | 0.60                | 10.11    | (4.32)             |
| Operating expenses  | 33                            | 1,520.01            | 1,281.53 | 1,052.29           |
| Employee Benefits Expense   | 34                            | 436.52              | 369.45   | 260.26             |
| Finance Costs   | 35                            | 56.91               | 54.61    | 62.53              |
| Depreciation, Amortisation and Impairment expense                             | 3                             | 246.23              | 196.45   | 202.90             |
| Other Expenses  | 36                            | 115.49              | 105.79   | 89.39              |
| <b>Total Expenses</b>   |                               | <b>2,390.04</b>     | 2,219.24 | 1,854.19           |
| <b>Profit before Tax</b>  |                               | <b>195.99</b>       | 210.14   | 164.73             |
| Less: Tax Expense:  |                               |                     |          |                    |
| Current Tax   | 37                            | 91.71               | 58.87    | 67.05              |
| Deferred Tax  | 8                             | (17.26)             | 6.07     | (5.45)             |
| MAT   |                               | (2.82)              | 3.72     | (1.93)             |
| Prior year tax adjustment   |                               | -                   | -        | (3.12)             |
|   |                               | <b>71.63</b>        | 68.66    | 56.55              |
| <b>Profit for the year before Profit / [Loss] of Associate:</b>               |                               | <b>124.36</b>       | 141.48   | 108.18             |
| Add/ [Less] : Share of Profit / [Loss] of Associate [Net of tax]              | 4                             | -                   | -        | -                  |
| <b>Profit for the year</b>  |                               | <b>124.36</b>       | 141.48   | 108.18             |
| Items that will not be reclassified to profit or loss:                        |                               |                     |          |                    |
| Re-measurement (losses)/ gains on post employment defined benefit plans       |                               | (0.41)              | (1.19)   | 1.70               |
| Income tax effect   |                               | 0.14                | 0.41     | (0.59)             |
|   |                               | <b>(0.27)</b>       | (0.78)   | 1.11               |
| <b>Other Comprehensive Income for the year [Net of tax]</b>                   |                               | <b>(0.27)</b>       | (0.78)   | 1.11               |
| <b>Total Comprehensive Income for the year [Net of Tax]</b>                   |                               | <b>124.09</b>       | 140.70   | 109.29             |
| <b>Profit for the year</b>  |                               |                     |          |                    |
| Attributable to :   |                               |                     |          |                    |
| Owners of the Parent  |                               | 126.40              | 142.66   | 108.27             |
| Non-Controlling Interest  |                               | (2.03)              | (1.18)   | (0.09)             |
| <b>OCI for the year</b>   |                               |                     |          |                    |
| Attributable to :   |                               |                     |          |                    |
| Owners of the Parent  |                               | (0.27)              | (0.78)   | 1.11               |
| Non-Controlling Interest  |                               | 0.00                | -        | -                  |
| <b>Total Comprehensive Income</b>   |                               |                     |          |                    |
| Attributable to :   |                               |                     |          |                    |
| Owners of the Parent  |                               | 126.13              | 141.88   | 109.38             |
| Non-Controlling Interest  |                               | (2.03)              | (1.18)   | (0.09)             |
| <b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>         | 38                            | <b>4.51</b>         | 5.09     | 3.86               |
| <b>Significant Accounting Policies</b>  | 2                             |                     |          |                    |
| <b>Notes to the consolidated financial statements</b>                         | 1 to 55                       |                     |          |                    |

**The accompanying summary of significant accounting policies and notes to Consolidated summary statement (Annexure-5A ) are an integral part of this statement**

As per our report of even date  
For Mukesh M. Shah & Co.,  
Chartered Accountants  
Firm Registration Number: 106625W

For and on behalf of the Board

Managing Director

Karnik K. Shah  
Partner  
Membership Number: 129675  
Ahmedabad, Dated September 22,2018

Chief Financial Officer

Company Secretary

Director

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>                                       |                                       |                       |                       |                      |
|---|---------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Annexure 4A - Restated Consolidated Cash Flow Statement for the year ended March 31, 2018, 2017 and 2016</b> |                                       |                       |                       |                      |
| Particulars   | INR Million                           |                       |                       |                      |
|   | Year ended March 31                   |                       |                       |                      |
|   | 2018                                  | 2017                  | 2016<br>[Proforma]    |                      |
| <b>A Cash flows from operating activities:</b>  |                                       |                       |                       |                      |
| Profit before tax   | <b>195.99</b>                         | 210.14                | 164.73                |                      |
| Adjustments for:  |                                       |                       |                       |                      |
| Depreciation, Impairment and Amortisation expenses  | <b>246.23</b>                         | 196.45                | 202.90                |                      |
| Profit on sale of property, plant and equipment [Net]   | <b>(16.34)</b>                        | (6.47)                | (0.27)                |                      |
| Loss / (Profit) on sale of investments measured at FVTPL[Net]   | <b>3.08</b>                           | (41.80)               | 6.64                  |                      |
| Loss/ (Profit) on Sale of Investment [Net ]   | -                                     | (2.58)                | -                     |                      |
| Interest income   | <b>(2.13)</b>                         | (5.80)                | (3.87)                |                      |
| Interest expenses   | <b>56.92</b>                          | 54.61                 | 60.40                 |                      |
| Bad debts written off   | <b>0.78</b>                           | 0.75                  | 0.36                  |                      |
| Provision for doubtful debts [net of written back]  | -                                     | 1.54                  | -                     |                      |
| Provisions for employee benefits  | <b>(3.14)</b>                         | 26.08                 | 1.52                  |                      |
| Provision for Warranty  | <b>(0.03)</b>                         | 0.75                  | -                     |                      |
| Total   | <b>285.37</b>                         | 223.53                | 267.68                |                      |
| Operating profit before working capital changes   | <b>481.36</b>                         | 433.67                | 432.41                |                      |
| Adjustments for:  |                                       |                       |                       |                      |
| [Increase]/Decrease in trade receivables  | <b>(37.01)</b>                        | (47.01)               | (84.45)               |                      |
| [Increase]/ Decrease in inventories   | <b>(38.27)</b>                        | 16.22                 | (4.33)                |                      |
| [Increase]/Decrease in other assets   | <b>(173.58)</b>                       | (14.80)               | (18.90)               |                      |
| [Decrease]/Increase in trade payables   | <b>2.51</b>                           | (8.79)                | 4.59                  |                      |
| [Decrease]/ Increase in other liabilities   | <b>26.74</b>                          | 36.97                 | (0.12)                |                      |
| Change in Non-controlling Interest  | <b>0.01</b>                           | 1.69                  | 0.18                  |                      |
| Total   | <b>(219.60)</b>                       | (15.72)               | (103.03)              |                      |
| Cash generated from operations  | <b>261.76</b>                         | 417.95                | 329.38                |                      |
| Direct taxes paid [Net of refunds]  | <b>(72.60)</b>                        | (76.04)               | (52.10)               |                      |
| Net cash from operating activities  | <b>189.16</b>                         | 341.91                | 277.28                |                      |
| <b>B Cash flows from investing activities:</b>  |                                       |                       |                       |                      |
| Purchase of property, plant and equipment   | <b>(182.22)</b>                       | (365.49)              | (276.59)              |                      |
| Proceeds from sale of property, plant and equipment   | <b>27.18</b>                          | 14.17                 | 4.19                  |                      |
| Purchase of non current investments   | <b>(70.84)</b>                        | (136.14)              | (8.07)                |                      |
| Proceeds from sale of investments   | <b>65.66</b>                          | 134.78                | -                     |                      |
| Investment in Fixed Deposit with Bank   | <b>10.74</b>                          | (13.28)               | (21.90)               |                      |
| Interest received   | <b>2.60</b>                           | 5.07                  | 3.64                  |                      |
| Net cash from investing activities  | <b>(146.88)</b>                       | (360.89)              | (298.73)              |                      |
| <b>C Cash flows from financing activities:</b>  |                                       |                       |                       |                      |
| Proceeds from non current borrowings  | <b>133.65</b>                         | 560.62                | 590.53                |                      |
| Repayment of non current borrowings   | <b>(180.96)</b>                       | (562.84)              | (510.86)              |                      |
| Proceeds from fresh share issue   | <b>25.05</b>                          | -                     | -                     |                      |
| Current Borrowings [Net]  | <b>3.79</b>                           | 78.18                 | 32.65                 |                      |
| Interest paid   | <b>(57.55)</b>                        | (51.38)               | (60.40)               |                      |
| Net cash from financing activities  | <b>(76.02)</b>                        | 24.58                 | 51.92                 |                      |
| <b>Net increase in cash and cash equivalents</b>  | <b>(33.74)</b>                        | 5.60                  | 30.47                 |                      |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>51.19</b>                          | 45.59                 | 15.12                 |                      |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>17.45</b>                          | 51.19                 | 45.59                 |                      |
| <b>Notes to the Cash Flow Statement</b>   |                                       |                       |                       |                      |
| 1 All figures in brackets are outflows.   |                                       |                       |                       |                      |
| 2 Previous year's figures have been regrouped wherever necessary.   |                                       |                       |                       |                      |
| 3 Cash and cash equivalents comprise of:  |                                       |                       |                       |                      |
|   | <b>As at</b>                          |                       |                       |                      |
|   | <b>March 31, 2018</b>                 | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|   |                                       |                       | [Proforma]            | [Proforma]           |
| a Cash on Hand  | <b>15.93</b>                          | 18.73                 | 13.80                 | 7.90                 |
| b Balances with Banks   | <b>1.52</b>                           | 32.46                 | 31.79                 | 7.22                 |
| d Total   | <b>17.45</b>                          | 51.19                 | 45.59                 | 15.12                |
| <u>As per our report of even date</u>   | <u>For and on behalf of the Board</u> |                       |                       |                      |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W                         | Managing Director                     |                       |                       |                      |
| Karnik K Shah<br>Partner<br>Membership Number:129675<br>Ahmedabad, Dated September 22,2018                      | Chief Financial Officer               | Company Secretary     | Director              |                      |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 3 - Restated Consolidated Ind AS Summary Statement of Change in Equity for the year ended March 31, 2018, 2017 and 2016**

**a Equity Share Capital:**

|  | No. of Shares | INR Million |
|--|---------------|-------------|
| <b>Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:</b> |               |             |
| As at April 1, 2015 [Proforma]   | 6,989,600     | 69.90       |
|  | -             | -           |
| As at March 31, 2016   | 6,989,600     | 69.90       |
|  | -             | -           |
| As at March 31, 2017   | 6,989,600     | 69.90       |
| Issued pursuant to Rights issue of equity shares.                            | 22,770        | 0.23        |
| As at March 31, 2018   | 7,012,370     | 70.12       |

**b Other Equity:**

|   | INR Million          |                  |              |        |
|---|----------------------|------------------|--------------|--------|
|   | Reserves and Surplus |                  | Items of OCI | Total  |
|   | Securities Premium   | Retained Earning | OCI Reserve  |        |
| <b>As at April 1, 2015 [Proforma]</b>                 | -                    | 119.13           | -            | 119.13 |
| Add: Profit for the year                              | -                    | 109.38           | -            | 109.38 |
| [Less]: Other Comprehensive income                    | -                    | (1.11)           | 1.11         | -      |
| <b>Total Comprehensive Income</b>                     | -                    | 108.27           | 1.11         | 109.38 |
| <b>As at March 31, 2016 [Proforma]</b>                | -                    | 227.40           | 1.11         | 228.51 |
| Add: Profit for the year                              | -                    | 141.88           |              | 141.88 |
| [Less]: Other Comprehensive income                    | -                    | 0.78             | (0.78)       | -      |
| <b>Total Comprehensive Income</b>                     | -                    | 142.66           | 0.33         | 141.88 |
| <b>As at March 31, 2017</b>                           | -                    | 370.06           | 0.33         | 370.39 |
| Add: Profit for the year                              |                      | 126.13           | -            | 126.13 |
| Add [Less]: Other Comprehensive income [ Net of Tax ] | -                    | 0.27             | (0.27)       | -      |
| <b>Total Comprehensive Income</b>                     | -                    | 126.40           | 0.06         | 126.13 |
| Add: Addition during the year                         | 24.82                |                  |              | 24.82  |
| <b>As at March 31, 2018</b>                           | 24.82                | 496.45           | 0.06         | 521.33 |

**The accompanying summary of significant accounting policies and notes to Consolidated summary statement (Annexure-5A ) are an integral part of this statement**

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.,  
Chartered Accountants  
Firm Registration Number: 106625W

Managing Director

Karnik K. Shah  
Partner

Chief Financial Officer

Company Secretary

Director

Membership Number: 129675  
Ahmedabad, Dated September 22, 2018

**Note: 1 - Group overview:**

The consolidated financial statements comprise financial statements of Chartered Speed Limited ["the parent"] and its subsidiaries [collectively, "the Group"] and its associates for the year ended March 31, 2018. The Group is engaged mainly in the business of passenger transportation services via buses and taxis, supply and operation of non-motorized transportation. In addition to this, the company is engaged in the cargo and parcel services via bus operations and bus body sales in India. The registered office of the Company is situated at Sanathal Circle, Sarkhej Bavlva Highway, Sanathal, Ahmedabad - 382 210. The company is converted from Private Limited company to Public Limited company in September, 2018.

These consolidated financial statements were authorised for issue in accordance with a resolution of the directors on August 28, 2018.

**Note: 2 - Significant Accounting Policies:**

**A** The following note provides list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

**1 Basis of preparation:**

**A** The consolidated financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

**B** For all periods up to and including the year ended March 31, 2017, the Company had prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies[Accounts] Rules, 2014 [Indian GAAP].

The Group has adopted Ind AS as per the Companies [Indian Accounting Standards] Rules, 2015 as notified under Section 133 of the Companies Act, 2013 for these consolidated financial statements beginning April 01, 2017. As per the principles of Ind AS 101, the transition date to Ind AS is March 31, 2016 and hence the comparatives for the previous year ended 31 March 2017 and balances as on 1 April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Reconciliations and descriptions of the effect of the transition have been summarized in note 46 and note 47.

The proforma consolidated financial information of the group as at and for the year ended March 31, 2016, is prepared in accordance with the requirements of the applicable SEBI circular and Guidance Note on Reports in Company Prospectuses, as revised and issued by ICAI. As envisaged by the SEBI circular, the group has followed the same accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma consolidated financial information for the F.Y. 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the proforma consolidated financial information. This proforma Ind AS consolidated financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP Consolidated financial statements as at and for the year ended March 31, 2016.

The material adjustments made to the reported profit as per the audited consolidated financial statements (after making Ind AS adjustments) of the respective years is summarized in Note no. 54.

**C** The consolidated financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- ii Defined benefit plans

**2 Basis of Consolidation:**

**A** The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at March 31, 2018. 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:

- a Power over the investee [i.e. existing rights that give it the current ability to direct the relevant activities of the investee]
- b Exposure, or rights, to variable returns from its involvement with the investee, and
- c 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:

- a The contractual arrangement with the other vote holders of the investee
- b Rights arising from other contractual arrangements
- c The Group's voting rights and potential voting rights
- d 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

**B** The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

**C** Consolidated financial statements ["CFS"] 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 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 consolidated financial statements to ensure conformity with the group's accounting policies.

**D** The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31.

**3 Business Combinations and Goodwill :**

**A** In accordance with Ind AS 101 provisions related to first time adoption, the company has elected to apply IND AS accounting for business combination prospectively from March 31, 2016. As such Indian GAAP balances relating to business combinations entered into before the date including Goodwill have been carried forward.

**B** Business Combinations are accounted for using the acquisition method. The Cost of an acquisition is measured at the aggregate of the consideration transferred at acquisition date fair value. Acquisition related cost are expensed as incurred.

**C** At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 "Income Tax" and Ind AS-19 "Employee Benefits" respectively.

**D** When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

**E** Goodwill is initially measured at the excess of, the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.

**F** After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value, less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

**G** A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

**H** If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**4 Investment in Associates:**

**A** The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in 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 joint ventures since the acquisition date.

**B** The Statement of profit and loss reflects the Group's share of the results of operations of the associates. 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 associates, the Group recognises its share of any changes, when applicable, in the Statement of changes in equity.

**Note: 2 - Significant Accounting Policies-Continued:**

- C** If an entity's share of losses of associates equals or exceeds its interest in the associate [which includes any long term interest that, in substance, form part of the Group's net investment in the associate], the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
- D** The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
- E** After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as "Share of profit/Loss of associates" in the Statement of profit and loss.

**4 Use of Estimates:**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**Critical estimates and judgments:**

**Income Taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and possibility of utilisation of Minimum alternate Tax [MAT] credit in future.

**Property, plant and equipment:**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Employee Benefits:**

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, attrition rate etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

**Product warranty and claims:**

Significant judgments are involved in provisioning the estimated warranty claims against the bus body supplied by the company

**Impairment of assets and investments:**

Significant judgment is involved in determining the estimated future cash flows from the investments, Property, Plant and Equipment and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

**Contingent Liabilities:**

Significant judgement is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

**5 Foreign Currency Transactions:**

- A** The Group's consolidated financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency. The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.
- B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.

**6 Revenue Recognition:**

- A** 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 and it is reasonable to expect the ultimate collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.
- B** Service tax/ Value Added Tax [VAT]/ Goods and Service Tax [GST] is not received by the group on its own account. Rather, it is tax collected on value added to the Goods by the group on behalf of the government. Accordingly, it is excluded from revenue.
- C** The specific recognition criteria described below must also be met before revenue is recognised.

**a Sale of Goods:**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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 and allowances, trade discounts and volume rebates.

Revenue from sales is based on the price agreed with the parties, net of discounts/ claims. Historical experience is used to estimate and provide for damage claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the group.

**b Service Income:**

Income from Bus transportation is recognised as and when the transportation services are provided, i.e. when the service is rendered and are recognised net of service tax/ GST, as applicable.

Income from parcel is recognised when the goods/documents are delivered and are recognised net of service tax/GST, as applicable.

**c Interest Income:**

For all debt instruments measured at amortised cost interest income is recorded using the effective interest rate [EIR]. 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 or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**d Dividend:**

Dividend income is recognised when the group's right to receive the payment is established, which is generally when shareholders approve the dividend or interim dividend declared by the group.

**e Other Income:**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**7 Taxes on Income:**

Tax expenses comprise of current and deferred tax.

**A Current Tax:**

- a** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b** Current tax items are recognised in correlation to the underlying transaction either in statement of profit and loss, OCI or directly in equity.

**B Deferred Tax:**

- a** 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.
- b** Deferred tax liabilities are recognised for all taxable temporary differences.
- c** Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.
- d** 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e** Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

**Note: 2 - Significant Accounting Policies-Continued:**

- f** Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g** 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.

**8 Property, Plant and Equipment:**

- A** Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an item of tangible property, plant and equipment comprises its purchase price, including freight, duties and taxes to the extent not recoverable from tax authorities and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discount and rebates are deducted in arriving at the purchase price.  
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance charged to the statement of profit and loss during the reporting period in which they are incurred. On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
- B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C** Depreciation on tangible assets is provided on "written down value method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in case of used vehicles, where the life is estimated by the management considering the conditions of the vehicles and the useful life of such vehicles ranges between 3-6 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.
- D** Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.
- E** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.
- F** Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100% in the year of purchase.
- G** Capital work in progress is stated at cost less accumulated impairment loss, if any. All other repair and maintenance costs are recognised in statement of profit or loss as incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.
- H** An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.

**9 Intangible Assets:**

**Rights to collect fare from users:**

The cost incurred by the group towards installation, operation and maintenance of the Public Bike Sharing System (net of capital cost contribution received / receivable from Bhopal Smart City Development Corporation Limited) is capitalized as intangible assets. Till the start of the project as per the terms of the contract, the same is recognized under intangible assets under development.

**Other intangibles:**

- A** 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.
- B** Internally generated intangibles are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.
- C** Capitalised cost incurred towards purchase/ development of software is amortised using written down method over its useful life of three year as estimated by the management at the time of capitalisation.
- D** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.

**10 Amortisation of intangible assets:**

Public bike sharing rights are amortized over the period of concession using the Straight Line amortisation method.

**11 Borrowing Costs:**

- A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use and such period is more than one year.

**12 Impairment of Assets:**

The Property, Plant and Equipment and Goodwill acquired in a business combination are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**13 Inventories:**

Inventories are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective, unserviceable and slow/non moving stocks, if any are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

**14 Cash and Cash Equivalents:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

**15 Leases:**

Leases in which significant portion of the risk and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payment made under operating lease are charged to Statement of Profit and Loss on straight-line-basis over the period of the lease.

**As a lessee:**

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease.

Lease under which the Group assumes potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalised at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expenses on straight line basis in Net Profit in the statement of profit and loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

**As a lessor:**

Lease income from operating leases where the group is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**16 Provisions, Contingent Liabilities and Contingent Assets:**

- A** Provisions are recognised when the Group has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognised but are disclosed separately in the consolidated financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in consolidated financial statements.

- B** 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.

**17 Employee Benefits:**

**A Short term obligations:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Note: 2 - Significant Accounting Policies-Continued:****B Long term employee benefits obligations:****a Defined Benefit Plans:****Gratuity:**

The Group operates a defined benefit gratuity plan. The Liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;
- ii Net interest expense or income.

**b Defined Contribution Plans:****Provident Fund Contribution:**

Eligible employees of the Group receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employees benefit expenses when they are due in the statement of profit and loss.

**18 Dividends:**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the parent's Board of Directors.

**19 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.

**A Financial assets:****a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, trade date, i.e., the date that the Group settle commits to purchase or sell the asset.

**b Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in following categories:

**Debt instruments at amortised cost:**

A debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held with an objective of collecting contractual cash flows

Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate[EIR] method. 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 Statement of Profit and Loss. The losses arising from impairment are recognised in the statement of profit or loss.

**Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Group's balance sheet] when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the group has transferred substantially all the risks and rewards of the asset, or [b] the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. When the Group has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

**d Impairment of financial assets:**

In accordance with Ind AS 109, the Group applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost
- b) Trade receivables or any contractual right to receive cash or another financial asset

The Group follows 'simplified approach' for recognition of impairment loss allowance on Point b provided above. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it requires the Group to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss . The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance , i.e., as an integral part of the measurement of those assets in the balance sheet. which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics.

**B Financial liabilities:****a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, as described below:

**Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of 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.

**Note: 2 - Significant Accounting Policies-Continued:****c Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**C Reclassification of financial assets:**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

**D Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

**20 Fair Value Measurement**

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:

- a. In the principal market for the asset or liability, or
- b. 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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. 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.

**21 Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**B Standards issued but not yet effective:**

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies [Indian Accounting Standards] Amendment Rules, 2018 notifying Ind AS 115 "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations".

Both these amendments are applicable to the Group from April 1, 2018.

**Ind AS 115:**

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to 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.

The standard permits two possible methods of transition:

Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application [Cumulative catch – up approach]

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018. The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Appendix B to Ind AS 21:**

Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 3 - Property, Plant & Equipment:**

A Property, Plant and Equipment:

|                                     | INR Million    |                 |           |          |          |          |                  |                   |                        |                 |
|-------------------------------------|----------------|-----------------|-----------|----------|----------|----------|------------------|-------------------|------------------------|-----------------|
|                                     | Free Hold Land | Lease Hold Land | Buildings | Tubewell | Vehicles | Computer | Office Equipment | Machine and Tools | Furniture and Fixtures | Total           |
| <b>Gross Block:</b>                 |                |                 |           |          |          |          |                  |                   |                        |                 |
| As at April 1, 2015 [*]{#}          | 0.66           | 0.55            | 4.62      | 0.24     | 786.72   | 9.76     | 4.31             | 8.81              | 1.52                   | <b>817.19</b>   |
| Additions                           | -              | -               | 0.05      | -        | 276.20   | 1.92     | 4.17             | 0.34              | 1.28                   | <b>283.96</b>   |
| Disposals                           | -              | -               | -         | -        | (45.24)  | -        | -                | -                 | -                      | <b>(45.24)</b>  |
| As at March 31, 2016 {#}            | 0.66           | 0.55            | 4.67      | 0.24     | 1,017.68 | 11.68    | 8.48             | 9.15              | 2.80                   | <b>1,055.91</b> |
| Additions                           | -              | -               | -         | -        | 352.97   | 0.90     | 1.58             | 3.05              | 0.39                   | <b>358.89</b>   |
| Disposals                           | -              | (0.55)          | (1.31)    | -        | (33.07)  | (0.22)   | (0.10)           | -                 | (0.18)                 | <b>(35.43)</b>  |
| As at March 31, 2017                | 0.66           | -               | 3.36      | 0.24     | 1,337.58 | 12.36    | 9.96             | 12.20             | 3.01                   | <b>1,379.37</b> |
| Additions                           | -              | -               | 3.96      | -        | 97.22    | 3.75     | 4.32             | 6.69              | 2.28                   | <b>118.22</b>   |
| Disposals                           | -              | -               | (0.62)    | -        | (48.85)  | (3.47)   | (1.11)           | -                 | (1.01)                 | <b>(55.06)</b>  |
| As at March 31, 2018                | 0.66           | -               | 6.70      | 0.24     | 1,385.95 | 12.64    | 13.17            | 18.89             | 4.28                   | <b>1,442.53</b> |
| <b>Depreciation and Impairment:</b> |                |                 |           |          |          |          |                  |                   |                        |                 |
| As at April 1, 2015 [*]{#}          | -              | 0.04            | 0.61      | 0.17     | 427.20   | 6.74     | 1.06             | 2.79              | 0.39                   | <b>439.00</b>   |
| Additions                           | -              | 0.02            | 0.25      | 0.05     | 195.65   | 2.54     | 1.98             | 1.96              | 0.45                   | <b>202.90</b>   |
| Disposals                           | -              | -               | -         | -        | (41.32)  | -        | -                | -                 | -                      | <b>(41.32)</b>  |
| As at March 31, 2016 {#}            | -              | 0.06            | 0.86      | 0.22     | 581.53   | 9.28     | 3.04             | 4.75              | 0.84                   | <b>600.58</b>   |
| Depreciation for the year           | -              | -               | 0.13      | 0.01     | 192.17   | 1.51     | 1.22             | 0.92              | 0.49                   | <b>196.45</b>   |
| Impairment for the year             | -              | -               | -         | -        | -        | -        | -                | -                 | -                      | <b>-</b>        |
| Disposals                           | -              | (0.07)          | (0.27)    | -        | (28.32)  | (0.19)   | (0.05)           | (0.04)            | (0.09)                 | <b>(29.03)</b>  |
| As at March 31, 2017                | -              | (0.01)          | 0.72      | 0.23     | 745.38   | 10.60    | 4.21             | 5.63              | 1.24                   | <b>768.00</b>   |
| Depreciation for the year           | -              | -               | 0.34      | -        | 235.13   | 2.99     | 3.27             | 1.77              | 1.02                   | <b>244.52</b>   |
| Impairment for the year             | -              | -               | -         | -        | -        | -        | -                | -                 | -                      | <b>-</b>        |
| Disposals                           | -              | -               | (0.14)    | -        | (39.83)  | (3.30)   | (0.46)           | -                 | (0.49)                 | <b>(44.22)</b>  |
| As at March 31, 2018                | -              | (0.01)          | 0.92      | 0.23     | 940.68   | 10.29    | 7.02             | 7.40              | 1.77                   | <b>968.30</b>   |
| <b>Net Block:</b>                   |                |                 |           |          |          |          |                  |                   |                        |                 |
| As at March 31, 2016[*]{#}          | 0.66           | 0.49            | 3.81      | 0.02     | 436.15   | 2.40     | 5.44             | 4.40              | 1.96                   | <b>455.33</b>   |
| As at March 31, 2017                | 0.66           | 0.01            | 2.64      | 0.01     | 592.20   | 1.76     | 5.75             | 6.57              | 1.77                   | <b>611.37</b>   |
| As at March 31, 2018                | 0.66           | 0.01            | 5.78      | 0.01     | 445.27   | 2.35     | 6.15             | 11.49             | 2.51                   | <b>474.23</b>   |

B Capital Work in Progress

As at March 31, 2018 70.22 As at March 31, 2017 1.25 As at March 31, 2016 {#} 9.57

C Intangible Assets:

|                                     | Other Intangible Assets |                   |                     |                                  | Total |
|-------------------------------------|-------------------------|-------------------|---------------------|----------------------------------|-------|
|                                     | Goodwill                | Computer Software | Website development | Assets under Incession Agreement |       |
| <b>Gross Block:</b>                 |                         |                   |                     |                                  |       |
| As at April 1, 2015 [*]{#}          | 9.41                    | -                 | -                   | -                                | -     |
| Additions                           | -                       | -                 | -                   | -                                | -     |
| Disposals                           | -                       | -                 | -                   | -                                | -     |
| As at March 31, 2016 [*]{#}         | 9.41                    | -                 | -                   | -                                | -     |
| Additions                           | 0.02                    | -                 | -                   | -                                | -     |
| Disposals                           | (0.71)                  | -                 | -                   | -                                | -     |
| As at March 31, 2017                | 8.72                    | -                 | -                   | -                                | -     |
| Additions                           | 0.05                    | 1.28              | 0.06                | 8.54                             | 9.88  |
| Disposals                           | -                       | -                 | -                   | -                                | -     |
| As at March 31, 2018                | 8.77                    | 1.28              | 0.06                | 8.54                             | 9.88  |
| <b>Amortisation and Impairment:</b> |                         |                   |                     |                                  |       |
| As at April 1, 2015 [*]{#}          | -                       | -                 | -                   | -                                | -     |
| Amortisation for the year           | -                       | -                 | -                   | -                                | -     |
| Impairment for the year             | -                       | -                 | -                   | -                                | -     |
| As at March 31, 2016 [*]{#}         | -                       | -                 | -                   | -                                | -     |
| Amortisation for the year           | -                       | -                 | -                   | -                                | -     |
| Impairment for the year             | -                       | -                 | -                   | -                                | -     |
| As at March 31, 2017                | -                       | -                 | -                   | -                                | -     |
| Amortisation for the year           | -                       | 0.35              | 0.03                | 1.33                             | 1.71  |
| Impairment for the year             | -                       | -                 | -                   | -                                | -     |
| As at March 31, 2018                | -                       | 0.35              | 0.03                | 1.33                             | 1.71  |
| <b>Net Block:</b>                   |                         |                   |                     |                                  |       |
| As at March 31, 2016 [*]            | 9.41                    | -                 | -                   | -                                | -     |
| As at March 31, 2017                | 8.72                    | -                 | -                   | -                                | -     |
| As at March 31, 2018                | 8.77                    | 0.93              | 0.03                | 7.21                             | 8.17  |

D Intangible Assets Under Development

As at March 31, 2017

14.90

**Depreciation, Amortisation and Impairment expenses:**

Depreciation  
Amortisation  
Impairment

**Total**

| March 31, 2018 | Year ended     |                           |
|----------------|----------------|---------------------------|
|                | March 31, 2017 | March 31, 2016 [Proforma] |
| 244.52         | 196.45         | 202.90                    |
| 1.71           | -              | -                         |
| -              | -              | -                         |
| 246.23         | 196.45         | 202.90                    |

[\*] Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

{#} Proforma

**Notes:**

- Buildings include INR 500/- [As at March 31, 2017: INR 500/-] {As at March 31, 2016 : INR 500/-} being the value of unquoted shares held in co-operative societies.
- For details of assets hypothecated as security refer note 18.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**  
**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

|  | INR Million                            |                                    |   |                                    |                           |                                   |                           |
|--|--|------------------------------------|---|------------------------------------|---------------------------|-----------------------------------|---------------------------|
|  | As at                                  |                                    |   |                                    |                           |                                   |                           |
|  | March 31, 2018                         | March 31, 2017                     | March 31, 2016<br>[Proforma]            |                                    |                           |                                   |                           |
| <b>Note: 4 - Investment in Associates:</b>   |  |                                    |   |                                    |                           |                                   |                           |
| The Group has 26% interest in Chartered Autozone Private Limited. The Group's interest in this entity is accounted using the "Equity method" in the CFS. It does not contribute materially to the Group's revenue and assets. Summarised financial information of the associate, based on its Ind AS financials are as under-  |  |                                    |   |                                    |                           |                                   |                           |
| A Summarised Balance sheet of the associate:   |  |                                    |   |                                    |                           |                                   |                           |
| Non-Current Assets   | 2.49                                   | 3.18                               | -                                       |                                    |                           |                                   |                           |
| Current Assets   | 5.99                                   | 4.49                               | -                                       |                                    |                           |                                   |                           |
| Non-Current Liabilities  | (0.09)                                 | (0.09)                             | -                                       |                                    |                           |                                   |                           |
| Current Liabilities  | (15.64)                                | (14.20)                            | -                                       |                                    |                           |                                   |                           |
| Equity   | (7.25)                                 | (6.62)                             | -                                       |                                    |                           |                                   |                           |
| Carrying value of Investment in Associate  | -                                      | -                                  | -                                       |                                    |                           |                                   |                           |
| [Loss of associate is recognised only to the extent of investment made by the Group (INR 0.03 Million) as it has not incurred any legal or constructive obligations or made payments on behalf of the associate beyond the amount of equity investment made by the Group.]   |  |                                    |   |                                    |                           |                                   |                           |
| <b>B Summarised Statement of Profit or Loss of the associate:</b>  |  |                                    |   |                                    |                           |                                   |                           |
| Revenue  | 27.77                                  | 25.54                              | -                                       |                                    |                           |                                   |                           |
| Profit before Tax  | (0.65)                                 | (2.49)                             | -                                       |                                    |                           |                                   |                           |
| Profit after Tax   | (0.65)                                 | (3.51)                             | -                                       |                                    |                           |                                   |                           |
| <b>C Contingent Liabilities and Commitments</b>  |  |                                    |   |                                    |                           |                                   |                           |
|  | -                                      | -                                  | -                                       |                                    |                           |                                   |                           |
| <b>Note: 5 - Other Financial Assets:</b>   |  |                                    |   |                                    |                           |                                   |                           |
| [Unsecured, Considered Good unless otherwise stated]   |  |                                    |   |                                    |                           |                                   |                           |
| Security deposits  | 3.38                                   | 13.83                              | 12.93                                   |                                    |                           |                                   |                           |
| Fixed deposits with banks having maturity of more than 12 months   | 2.08                                   | 2.04                               | 0.04                                    |                                    |                           |                                   |                           |
| Interest accrued but not due   | 0.10                                   | 0.02                               | -                                       |                                    |                           |                                   |                           |
| Others   | -                                      | -                                  | 0.22                                    |                                    |                           |                                   |                           |
| <b>Total</b>   | <b>5.56</b>                            | <b>15.89</b>                       | <b>13.19</b>                            |                                    |                           |                                   |                           |
| <b>Note: 6 - Other Non-Current Assets:</b>   |  |                                    |   |                                    |                           |                                   |                           |
| [Unsecured, Considered Good unless otherwise stated]   |  |                                    |   |                                    |                           |                                   |                           |
| Capital advances   | 8.61                                   | 9.19                               | 17.72                                   |                                    |                           |                                   |                           |
| Adjustable Security Deposit [ Refer Note 27(B) {a} ]   | 37.80                                  | 37.80                              | 37.80                                   |                                    |                           |                                   |                           |
| Balance with statutory authorities   | 0.21                                   | 6.14                               | 2.52                                    |                                    |                           |                                   |                           |
| Others   | 0.95                                   | 1.55                               | 2.34                                    |                                    |                           |                                   |                           |
| <b>Total</b>   | <b>47.57</b>                           | <b>54.68</b>                       | <b>60.38</b>                            |                                    |                           |                                   |                           |
| <b>Note: 7 - Assets for Current Tax [Net]:</b>   |  |                                    |   |                                    |                           |                                   |                           |
| Advance payment of Tax [Net of provision for taxation of INR 124.05 Million {as at March 31, 2017: INR 64.97 Million (as at March 31, 2016: INR Nil )}]  |  |                                    |   |                                    |                           |                                   |                           |
|  | 4.37                                   | 4.39                               | 0.08                                    |                                    |                           |                                   |                           |
| <b>Total</b>   | <b>4.37</b>                            | <b>4.39</b>                        | <b>0.08</b>                             |                                    |                           |                                   |                           |
| <b>Note: 8 - Deferred Tax:</b>   |  |                                    |   |                                    |                           |                                   |                           |
| <b>A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:</b>  |  |                                    |   |                                    |                           |                                   |                           |
|  | INR Million                            |                                    |   |                                    |                           |                                   |                           |
|  | As at<br>April 1<br>2015<br>[Proforma] | Charge for<br>the previous<br>year | As at<br>March 31<br>2016<br>[Proforma] | Charge for<br>the previous<br>year | As at<br>March 31<br>2017 | Charge for<br>the current<br>year | As at<br>March 31<br>2018 |
| Deferred Tax Liabilities:  |  |                                    |   |                                    |                           |                                   |                           |
| Fair Value Adjustment - Financial Instruments  | 1.86                                   | (1.84)                             | 0.02                                    | 1.86                               | 1.88                      | (1.65)                            | 0.23                      |
| Depreciation   | -                                      | -                                  | 0.02                                    | (0.02)                             | -                         | -                                 | -                         |
|  | 1.86                                   | (1.84)                             | 0.04                                    | 1.84                               | 1.88                      | (1.65)                            | 0.23                      |
| Deferred Tax Assets:   |  |                                    |   |                                    |                           |                                   |                           |
| Provision For Employees Benefit  | -                                      | (0.59)                             | (0.59)                                  | 1.62                               | 1.03                      | 3.40                              | 4.43                      |
| Brought forward Loss and unabsorbed depreciation   | 11.68                                  | 3.67                               | 15.35                                   | (6.10)                             | 9.25                      | 12.36                             | 21.61                     |
| Others   | 0.18                                   | (0.06)                             | 0.12                                    | 0.68                               | 0.80                      | (0.01)                            | 0.79                      |
| Total  | 11.86                                  | 3.02                               | 14.88                                   | (3.80)                             | 11.08                     | 15.75                             | 26.83                     |
| <b>Less: MAT Credit Entitlement</b>  | <b>(1.79)</b>                          | <b>(1.93)</b>                      | <b>(3.72)</b>                           | <b>3.72</b>                        | <b>-</b>                  | <b>(2.82)</b>                     | <b>(2.82)</b>             |
| Net Deferred Tax Assets  | 11.79                                  | 6.79                               | 18.56                                   | (9.36)                             | 9.20                      | 20.22                             | 29.42                     |
| <b>B</b> The Net Deferred Tax of INR 17.40 Million [F.Y. 2016-17 Net Deferred Tax : INR 5.64 Million, F.Y. 2015-16 Net Deferred Tax : INR 4.86 Million ] for the year has been recognised in the Statement of Profit and Loss. The Group has recognised MAT credit entitlement of INR 2.82 Million [F.Y. 2016-17 reversal of MAT credit entitlement : INR 3.72 Million, F.Y. 2015-16 MAT credit entitlement : INR 1.93 Million] in the Statement of Profit and Loss.   |  |                                    |   |                                    |                           |                                   |                           |
| <b>C</b> 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. The group has accumulated tax losses which arose in India of INR 10.15 Million [as at March 31, 2017 - INR 5.21 Million (as at March 31, 2016 - INR 6.14 Million )] that are available for offsetting against future taxable profits of the companies in which the losses arose. |  |                                    |   |                                    |                           |                                   |                           |
| <b>Note: 9 - Inventories:</b>  |  |                                    |   |                                    |                           |                                   |                           |
| [Valued at lower of cost and net realisable value]   |  |                                    |   |                                    |                           |                                   |                           |
| Classification of Inventories:   |  |                                    |   |                                    |                           |                                   |                           |
| Bus body materials, spare parts, other consumables including fuel [*]  | 40.59                                  | -                                  | -                                       |                                    |                           |                                   |                           |
| Stock-in-Trade   | 2.93                                   | 5.25                               | 21.47                                   |                                    |                           |                                   |                           |
| <b>Total</b>   | <b>43.52</b>                           | <b>5.25</b>                        | <b>21.47</b>                            |                                    |                           |                                   |                           |
| [*] The above includes Goods in transit as under:  |  |                                    |   |                                    |                           |                                   |                           |
|  | 9.73                                   | -                                  | -                                       |                                    |                           |                                   |                           |
| Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories   |  |                                    |   |                                    |                           |                                   |                           |
| Net of reversal of write-down  | -                                      | -                                  | -                                       |                                    |                           |                                   |                           |
| For details of inventories hypothecated as security refer note no. 21.   |  |                                    |   |                                    |                           |                                   |                           |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  
ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

|  | INR Million                 |                |                              |
|--|-----------------------------|----------------|------------------------------|
|  | As at                       |                |                              |
|  | March 31, 2018              | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Note: 10 - Investments [Current]:</b>   |                             |                |                              |
|  | <b>Nos.<br/>[*]</b>         |                |                              |
| Investment in units of Mutual Funds [Quoted]<br>[Valued at Fair Value Through Profit or Loss]:   |                             |                |                              |
| Axis Treasury Advantage Fund - Growth  | Nil [Nil] {69}              | -              | 0.12                         |
| Axis Dynamic Equity Fund - Growth  | 1699617 [Nil] {Nil}         | <b>17.59</b>   | -                            |
| Aditya Birla Sun Life Banking And Financial Services Fund - Growth [**]  | 102572 {628173} {463150}    | <b>2.90</b>    | 14.74                        |
| Aditya Birla Sun Life Medium Term Plan - Growth  | Nil [287220] {287220}       | -              | 5.86                         |
| Aditya Birla Sun Life MNC Fund - Growth  | 3753 [1368] {8687}          | <b>2.74</b>    | 0.86                         |
| BNP Paribas Midcap Fund - Growth   | 85121 [343204] {253167}     | <b>2.77</b>    | 10.32                        |
| DSP Black Rock Money Manager Fund - Growth   | 46 [Nil] {Nil}              | <b>0.11</b>    | -                            |
| Edelweiss Balanced Advantage Fund - Growth   | 1167115 [Nil] {Nil}         | <b>25.66</b>   | -                            |
| HDFC Mid Cap Opportunities Fund - Growth   | 27894 [243587] {165144}     | <b>1.55</b>    | 12.13                        |
| ICICI Prudential Bluechip Equity Fund - Growth   | 69091 [320069] {242659}     | <b>2.67</b>    | 10.99                        |
| ICICI Prudential Multiple Yield Fund Series 5 - Plan C - Growth  | 180000                      | <b>2.74</b>    | 2.59                         |
| Invesco India Dynamic Equity Fund - Growth   | 534379 [Nil] {Nil}          | <b>14.89</b>   | -                            |
| L&T Infrastructure Fund - Growth   | 349864 [990556] {1328011}   | <b>6.00</b>    | 14.04                        |
| Reliance Close Ended Equity Fund II - Series A - Growth  | Nil [350000] {350000}       | -              | 5.40                         |
| Kotak Emerging Equity Scheme - Growth  | Nil [131142] {Nil}          | -              | 4.61                         |
| Kotak Standard Multicap Fund - Growth  | Nil [156282] {Nil}          | -              | 4.49                         |
| LIC MF Large & Mid Cap Fund - Growth   | Nil [128049] {Nil}          | -              | 1.62                         |
| L&T Emerging Businesses Fund - Growth  | Nil [223057] {Nil}          | -              | 4.69                         |
| Reliance Close Ended Equity Fund II Series A - Growth  | 350000 [Nil] {Nil}          | <b>6.02</b>    | -                            |
| Reliance Equity Hybrid Fund - Growth   | 294876 [Nil] {Nil}          | <b>15.73</b>   | -                            |
| Reliance Small Cap Fund- Growth  | Nil [17105] {Nil}           | -              | 0.59                         |
| SBI Blue Chip Fund - Growth  | Nil [47444] {Nil}           | -              | 1.59                         |
| SBI Equity Hybrid Fund - Growth  | 102396 [Nil] {Nil}          | <b>12.57</b>   | -                            |
|  |                             | <b>113.93</b>  | 94.52                        |
| Investment in Equity securities [Quoted] [#]<br>[Valued at Fair Value Through Profit or Loss]:   |                             |                |                              |
| a Chartered Logistics Limited (face value of INR 10 each)  | 1957816 [1957816] {2447816} | <b>27.61</b>   | 46.79                        |
| b Infibeam Avenues Limited<br>(formerly known as Infibeam Incorporation Limited) [#]<br>(face value of INR 1 each, previous year INR 10 each)  | 45000 [5000] {8825}         | <b>6.62</b>    | 4.75                         |
| Investment in Equity securities [Unquoted]<br>[Valued at Fair Value Through Profit or Loss]:   |                             |                |                              |
| a Asian Brakes Private Limited   | Nil [Nil] {5000}            | -              | 0.05                         |
| <b>Total</b>   |                             | <b>34.23</b>   | 51.54                        |
|  |                             | <b>148.16</b>  | 146.06                       |
| [#] The shares of Infibeam Avenues Limited got listed on the stock exchange on April 4, 2016, hence, the value as at March 31, 2016 is stated at share issue price and is unquoted as at March 31, 2016. |                             | <b>0.20</b>    | -                            |
| [**] Includes amount paid by the group but pending allotment of units by the Fund  |                             | <b>148.16</b>  | 146.06                       |
| A a i Aggregate amount (book value) of quoted investments  |                             | <b>148.16</b>  | 146.06                       |
| ii Market value of quoted investments  |                             | -              | 0.05                         |
| b Aggregate amount of unquoted investments   |                             | -              | -                            |
| B Explanations:  |                             |                |                              |
| a In "Nos. [*]" figures of previous year or preceding previous year are same unless stated in [ { } ].   |                             |                |                              |
| <b>Note: 11 - Trade Receivables:</b>   |                             |                |                              |
| Secured - Considered good  |                             | -              | -                            |
| Unsecured - Considered good  |                             | <b>233.87</b>  | 197.63                       |
| Unsecured - Considered doubtful  |                             | <b>1.54</b>    | 1.54                         |
|  |                             | <b>235.41</b>  | 199.17                       |
| Less: Impairment allowances  |                             | <b>1.54</b>    | 1.54                         |
| <b>Total</b>   |                             | <b>233.87</b>  | 197.63                       |
| <b>Note: 12 - Cash and Cash Equivalents:</b>   |                             |                |                              |
| Balances with Banks  |                             | <b>0.39</b>    | 1.10                         |
| Cheques on hand  |                             | <b>1.13</b>    | 31.36                        |
| Cash on Hand   |                             | <b>15.93</b>   | 18.73                        |
|  |                             | <b>17.45</b>   | 51.19                        |
| Other bank balance [*]:  |                             |                |                              |
| Deposits with maturity more than 3 months but less than 12 months  |                             | <b>29.20</b>   | 39.95                        |
| Deposits with maturity more than 12 months   |                             | <b>2.08</b>    | 2.04                         |
|  |                             | <b>31.28</b>   | 41.99                        |
| Less: Amounts disclosed as other non-current financial assets [refer note 5]   |                             | <b>2.08</b>    | 2.04                         |
| <b>Total</b>   |                             | <b>46.65</b>   | 91.14                        |
| [*] Earmarked balances with banks:<br>Balances to the extent held as security / margin money deposits against Guarantee  |                             | <b>31.28</b>   | 30.57                        |
|  |                             |                | 7.37                         |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |  |                                      |                                      |
|--|--|--------------------------------------|--------------------------------------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS</b>   |  |                                      |                                      |
|  | <b>INR Million</b>   |                                      |                                      |
|  | <b>As at</b>   |                                      |                                      |
|  | <b>March 31, 2018</b>  | March 31, 2017                       | March 31, 2016<br>[Proforma]         |
| <b>Note: 13 - Loans:</b>   |  |                                      |                                      |
| [Unsecured, Considered Good]   |  |                                      |                                      |
| Loans to Related parties [*]   | <b>0.41</b>  | -                                    | 0.28                                 |
| <b>Total</b>   | <b>0.41</b>  | -                                    | 0.28                                 |
| [*] Details of related parties are as under-<br>Chartered Autozone Private Limited<br>Asian Brakes Private Limited   | <b>0.41</b>  |                                      | 0.28                                 |
| <b>Note: 14 - Other Current Financial Assets:</b>  |  |                                      |                                      |
| [Unsecured, Considered Good]   |  |                                      |                                      |
| Interest accrued but not due   | <b>0.39</b>  | 0.93                                 | 0.22                                 |
| Security deposits  | <b>6.25</b>  | 6.52                                 | 2.68                                 |
| Unbilled Revenue   | <b>168.31</b>  | -                                    | -                                    |
| Capital Contribution Receivable [*]  | <b>12.88</b>   | -                                    | -                                    |
| Others   | <b>0.35</b>  | 2.02                                 | 0.32                                 |
| <b>Total</b>   | <b>188.18</b>  | 9.47                                 | 3.22                                 |
| [*] Chartered Bike Private Limited, a subsidiary company, has been awarded the contract of Installation, operation and maintenance of Public Bike Sharing (PBS) System in Bhopal. Pursuant to this contract, the company gets right to collect fare from the users of the system and right to sell advertisement space on the system and other related revenue. As per the terms of the contract, the company will receive a fixed amount of contribution from the Bhopal Smart City Development Corporation Limited (BSCDCL) towards the capital cost of the project. The cost incurred by the company towards installation, operation and maintenance of the PBS system (net of capital cost contribution received / receivable from BSCDCL) is capitalized as intangible assets. Till the start of the project as per the terms of the contract, the same is recognized under intangible assets under development. The amount receivable from the BSCDCL is shown as "Other Current Financial Asset" in the Consolidated Financial Statement. |  |                                      |                                      |
| <b>Note: 15 - Other Current Assets:</b>  |  |                                      |                                      |
| [Unsecured, Considered Good]   |  |                                      |                                      |
| Advances to Suppliers  | <b>12.86</b>   | 7.21                                 | 8.26                                 |
| Advances to Employees  | <b>2.89</b>  | 2.17                                 | 2.54                                 |
| Prepaid Expenses   | <b>37.63</b>   | 34.05                                | 20.11                                |
| Balance with Statutory Authorities   | <b>1.51</b>  | 0.03                                 | 0.02                                 |
| <b>Total</b>   | <b>54.89</b>   | 43.46                                | 30.93                                |
| <b>Note: 16 - Equity Share Capital:</b>  |  |                                      |                                      |
| <b>Authorised:</b>   |  |                                      |                                      |
| 1,00,00,000 [as at March 31, 2017: 1,00,00,000 {as at March 31, 2016: 1,00,00,000}]<br>Equity Shares of INR 10/- each  | <b>100.00</b>  | 100.00                               | 100.00                               |
|  | <b>100.00</b>  | 100.00                               | 100.00                               |
| <b>Issued, Subscribed and Paid-up:</b>   |  |                                      |                                      |
| 70,12,370 [as at March 31, 2017: 69,89,600 {as at March 31, 2016: 69,89,600}]<br>Equity Shares of INR 10/- each, fully paid up   | <b>70.12</b>   | 69.90                                | 69.90                                |
| <b>Total</b>   | <b>70.12</b>   | 69.90                                | 69.90                                |
| A The reconciliation in number of shares is as under:<br>Number of shares at the beginning of the year<br>Add: Issued pursuant to Rights issue of Equity Shares<br>Number of shares at the end of the year   | <b>6,989,600</b><br><b>22,770</b><br><b>7,012,370</b>            | 6,989,600<br>-<br>6,989,600          | 6,989,600<br>-<br>6,989,600          |
| B The Parent has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Parent, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.   |  |                                      |                                      |
| C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each, fully paid:<br><b>Mr. Pankaj Kumar Gandhi</b><br>No. of Shares<br>Percentage of Shareholding<br><b>Mrs. Alka gandhi</b><br>No. of Shares<br>Percentage of Shareholding  | <b>3,549,600</b><br><b>51%</b><br><b>3,462,770</b><br><b>49%</b> | 3,549,600<br>51%<br>3,440,000<br>49% | 3,549,600<br>51%<br>3,440,000<br>49% |
| D The Parent has allotted 22,770 equity shares of INR 10/- each on right basis to shareholder on 31st March, 2018.   |  |                                      |                                      |
| E Equity shares allotted as fully paid bonus shares during the last five years   | <b>6,552,750</b>   | 6,552,750                            | 6,552,750                            |
| <b>Note: 17 - Other Equity:</b>  |  |                                      |                                      |
|  | <b>INR Million</b>   |                                      |                                      |
|  | <b>As at</b>   |                                      |                                      |
|  | <b>March 31, 2018</b>  | March 31, 2017                       | March 31, 2016<br>[Proforma]         |
| <b>Other Reserves:</b>   |  |                                      |                                      |
| <b>Securities Premium: [*]</b>   |  |                                      |                                      |
| Balance as per last Balance Sheet  | -  | -                                    | -                                    |
| Add: Credited during the year pursuant to issue of Equity shares at premium  | <b>24.82</b>   | -                                    | -                                    |
| Balance as at the end of the year  | <b>24.82</b>   | -                                    | -                                    |
| <b>Other Comprehensive Income [OCI] Reserve:</b>   |  |                                      |                                      |
| Balance as per last Balance Sheet  | <b>0.33</b>  | 1.11                                 | -                                    |
| [Less]/ Add: [Debited]/ Credited during the year   | <b>(0.27)</b>  | (0.78)                               | 1.11                                 |
| Balance as at the end of the year  | <b>0.06</b>  | 0.33                                 | 1.11                                 |
| <b>Retained Earnings:</b>  |  |                                      |                                      |
| Balance as per last Balance Sheet  | <b>370.06</b>  | 227.40                               | 119.13                               |
| Add / Less:  |  |                                      |                                      |
| Profit for the year  | <b>126.13</b>  | 141.88                               | 109.38                               |
| Less: Items of other Comprehensive income recognised directly in Retained Earnings:<br>Re-measurement gains/ [losses] on defined benefit plans [net of tax]  | <b>496.18</b>  | 369.28                               | 228.51                               |
| Balance as at the end of the year  | <b>(0.27)</b>  | (0.78)                               | 1.11                                 |
| <b>Total</b>   | <b>496.45</b>  | 370.06                               | 227.40                               |
|  | <b>521.33</b>  | 370.39                               | 228.51                               |
| [*] Securities premium is created due to premium on issue of shares. This reserve can be utilised in accordance with the provision of the Companies Act, 2013.   |  |                                      |                                      |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 18 - Borrowings:**

|   | INR Million         |                |                              |                    |                |                              |
|---|---------------------|----------------|------------------------------|--------------------|----------------|------------------------------|
|   | Non-current portion |                |                              | Current Maturities |                |                              |
|   | As at               |                |                              | As at              |                |                              |
|   | March 31, 2018      | March 31, 2017 | March 31, 2016<br>[Proforma] | March 31, 2018     | March 31, 2017 | March 31, 2016<br>[Proforma] |
| A Term Loans from Banks:  |                     |                |                              |                    |                |                              |
| a Secured   | 276.08              | 343.40         | 329.18                       | 189.33             | 166.32         | 145.49                       |
| b Unsecured   | -                   | -              | -                            | -                  | -              | -                            |
|   | <b>276.08</b>       | 343.40         | 329.18                       | <b>189.33</b>      | 166.32         | 145.49                       |
| B Term Loans from NBFCs:  |                     |                |                              |                    |                |                              |
| a Secured   | -                   | 0.04           | 3.05                         | 0.04               | 3.01           | 4.89                         |
| C From directors [Unsecured]  |                     |                |                              |                    |                |                              |
| Alka Gandhi   | -                   | -              | 13.98                        | -                  | -              | -                            |
| Kinjal Gandhi   | -                   | -              | 3.34                         | -                  | -              | -                            |
| Pankaj Gandhi   | -                   | -              | 15.06                        | -                  | -              | -                            |
| <b>Total</b>  | <b>276.08</b>       | 343.44         | 364.61                       | <b>189.37</b>      | 169.33         | 150.38                       |
| The above amount includes:  |                     |                |                              |                    |                |                              |
| Secured borrowings  | 276.08              | 343.44         | 332.23                       | 189.37             | 169.33         | 150.38                       |
| Unsecured borrowings  | -                   | -              | 32.38                        | -                  | -              | -                            |
| Amount disclosed under the head "Other Current Financial Liabilities" [Note-23] | -                   | -              | -                            | (189.37)           | (169.33)       | (150.38)                     |
| <b>Net amount</b>   | <b>276.08</b>       | 343.44         | 364.61                       | -                  | -              | -                            |

**A Securities and Terms of Repayment for Secured Long Term Borrowings for loans outstanding as at March 31, 2018:**

**a Rupee Loans:**

**i Details of term loans from Banks is secured by-**

| Nature of Security  | Value of Security   | Terms of repayment and interest rate  |
|---|---|---|
| First Charge by way of hypothecation of buses and other vehicles of the group.<br>It is further guaranteed by the personal guarantee of the directors of the group. | WDV of assets as at 31st March, 2018 is INR 271.77 Million. | The loans are repayable in 36 to 60 EMIs from the date of loan ranging between INR 0.01 Million and INR 0.31 Million along with interest rate ranging from 8.25 % to 10.64 % p.a. |

**ii Details of term loans from NBFC is secured by-**

| Nature of Security  | Value of Security   | Terms of repayment and interest rate  |
|---|---|---|
| First Charge by way of hypothecation of buses and other vehicles of the Group.<br>It is further guaranteed by the personal guarantee of the directors of the Group. | WDV of assets as at 31st March, 2018 is INR 0.71 Million. | The loan is repayable in 60 EMI of INR 0.04 Million from the date of loan along with interest rate of 10.64% p.a. |

**Other terms:**

- In the event of pre-closure of loan, prepayment penalty will be levied by the lenders as per the charges prescribed by the respective lenders depending upon the period of pre-closure of the loan.
- In the event of any default committed, the lender shall have right to demand the repayment of the entire amount of principal and interest thereon remaining due and outstanding which shall become payable forthwith.

|  | INR Million    |                |                              |
|--|----------------|----------------|------------------------------|
|  | As at          |                |                              |
|  | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Note: 19 - Other Financial Liabilities:</b> |                |                |                              |
| Trade Deposits                                 | 9.91           | 5.00           | -                            |
| <b>Total</b>                                   | <b>9.91</b>    | 5.00           | -                            |
| <b>Note: 20 - Provisions:</b>                  |                |                |                              |
| Provision for Employee Benefits                | 11.89          | 7.26           | 2.66                         |
| Provision for Other Liability                  | 0.67           | 1.99           | -                            |
| <b>Total</b>                                   | <b>12.56</b>   | 9.25           | 2.66                         |



**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 20 - Long Term Provisions-Continued:**

**The following payments are expected contributions to the defined benefit plan in future years:**

|  | INR Million    |             |                 |
|--|----------------|-------------|-----------------|
|  | As at March 31 |             |                 |
|  | 2018           | 2017        | 2016 [Proforma] |
| Within the next 12 months [next annual reporting period] | 1.41           | 0.59        | 0.30            |
| Between 2 and 5 years                                    | 7.54           | 4.48        | 1.66            |
| Between 5 and 10 years                                   | 5.61           | 3.98        | 1.49            |
| <b>Total expected payments</b>                           | <b>14.56</b>   | <b>9.04</b> | <b>3.45</b>     |

**Note: 21 - Borrowings:**

|  |               |               |              |
|--|---------------|---------------|--------------|
| Loans repayable on Demand:                               |               |               |              |
| Working Capital Loans from Banks [Secured] [*]           | 90.66         | 64.73         | 40.61        |
| Loan from directors and related parties [Unsecured] [**] | 31.96         | 0.39          | 0.03         |
| Short term Borrowing from Banks [Secured] [*]            | -             | 17.00         | -            |
| Short term Borrowing from Banks [Unsecured] [***]        | -             | 36.70         | -            |
| <b>Total</b>   | <b>122.62</b> | <b>118.82</b> | <b>40.64</b> |

Details for loan outstanding as at March 31, 2018 are as under:

[\*] Working Capital Loans which are, repayable on demand, are secured by hypothecation of inventories of all types, book debts and other current assets (including fixed deposits) and on hypothecation of vehicles and parri passu charge on all the present and future current assets of the group. Further, personal guarantee of Mr. Pankaj Gandhi and Mrs. Alka Gandhi, Director of the company has been provided to working capital lenders. The rate of interest ranges from 8.5% p.a. to 10.75% p.a.

[\*\*\*] It is a short term unsecured borrowing availed by the Group from bank and amount outstanding as at the Balance sheet date is repayable in 11 Equated Monthly Instalments. The rate of interest is 10.41% p.a.

[\*\*] Details of Working capital Loans taken from directors and related parties are repayable on demand and are availed at rate of interest of 9% p.a., unless stated otherwise:

Directors of the Parent company:

|                     |       |   |   |
|---------------------|-------|---|---|
| Pankaj Kumar Gandhi | 13.96 | - | - |
| Alka Gandhi         | 1.07  | - | - |
| Kinjal Gandhi       | 14.49 | - | - |

Directors of Subsidiary Companies:

|                                    |      |      |      |
|------------------------------------|------|------|------|
| Ajay Chauhan - Interest Free loan  | 0.03 | 0.39 | 0.03 |
| Kartika Menon - Interest Free loan | 0.10 | -    | -    |
| Kiran Menon - Interest Free loan   | 0.15 | -    | -    |

Enterprises significantly influenced by Directors and/or their relatives:

|  |              |             |             |
|--|--------------|-------------|-------------|
| Chartered Auto Component Private Limited | 0.34         | -           | -           |
| Raman Holding Private Limited            | 1.82         | -           | -           |
| <b>Total</b>                             | <b>31.96</b> | <b>0.39</b> | <b>0.03</b> |

**Note: 22 - Trade Payables:**

|   |              |              |              |
|---|--------------|--------------|--------------|
| Micro, Small and Medium Enterprises [*] | -            | -            | -            |
| Others                                  | 13.02        | 10.51        | 19.30        |
| <b>Total</b>                            | <b>13.02</b> | <b>10.51</b> | <b>19.30</b> |

[\*] Disclosure in respect of Micro, Small and Medium Enterprises:

|  |   |   |   |
|--|---|---|---|
| A Principal amount remaining unpaid to any supplier as at year end   | - | - | - |
| B Interest due thereon   | - | - | - |
| C Amount of interest paid by the Group in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year                             | - | - | - |
| D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act | - | - | - |
| E Amount of interest accrued and remaining unpaid at the end of the accounting year  | - | - | - |
| F Amount of further interest remaining due and payable in succeeding years   | - | - | - |

There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the group and has been relied upon by the statutory auditors of the group. There is no interest paid or payable during the year.

**Note: 23 - Other Financial Liabilities:**

|   |               |               |               |
|---|---------------|---------------|---------------|
| Current Maturities of Long Term Debt [Refer Note- 18] | 189.37        | 169.33        | 150.38        |
| Interest accrued but not due on borrowings            | 2.60          | 3.23          | 2.13          |
| Employee Related Payable                              | 22.60         | 22.41         | 13.97         |
| Security Deposits                                     | 0.27          | 0.40          | 0.33          |
| Payable to Statutory Authorities                      | 45.88         | 25.03         | 11.40         |
| Payable for Capital Goods                             | 21.25         | 7.21          | 1.16          |
| Book Overdraft  | 14.94         | 28.11         | 27.05         |
| Provision for Expenses                                | 2.36          | 2.59          | 0.01          |
| <b>Total</b>  | <b>299.27</b> | <b>258.31</b> | <b>206.43</b> |

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**  
**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

|   | INR Million    |                |                              |
|---|----------------|----------------|------------------------------|
|   | As at          |                |                              |
|   | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Note: 24 - Other Current Liabilities:</b>  |                |                |                              |
| Advance received from customers   | 4.48           | 2.86           | 2.74                         |
| <b>Total</b>  | <b>4.48</b>    | <b>2.86</b>    | <b>2.74</b>                  |
| <b>Note: 25 - Provisions:</b>   |                |                |                              |
| Provision for Employee Benefits   | 15.75          | 23.12          | 0.30                         |
| Provision for warranty  | 0.72           | 0.75           | -                            |
| <b>Total</b>  | <b>16.47</b>   | <b>23.87</b>   | <b>0.30</b>                  |
| [*] Provision for warranty and claims for buses supplied by the Group:  |                |                |                              |
| a Provision for warranty and claims in respect of buses sold during the earlier year is made based on the management's estimates. The Group does not expect such claims to be reimbursed by any other party in future.  |                |                |                              |
| b The movement in such provision is stated as under:  |                |                |                              |
| Carrying amount at the beginning of the year  | 0.75           | -              | -                            |
| Additional provision made during the year   | -              | 0.75           | -                            |
| Amount used   | 0.03           | -              | -                            |
| Carrying amount at the end of the year  | 0.72           | 0.75           | -                            |
| <b>Note: 26 - Current Tax Liabilities [Net]:</b>  |                |                |                              |
| Provision for Taxation [Net of advance payment of tax of INR 72.61 Million {as at March 31, 2017: INR Nil (as at March 31, 2016: INR 54.12 Million)}]   | 19.09          | -              | 12.86                        |
| <b>Total</b>  | <b>19.09</b>   | <b>-</b>       | <b>12.86</b>                 |
| <b>Note: 27-Contingent Liabilities and Commitments [to the extent not provided for]:</b>  |                |                |                              |
| <b>A Contingent Liabilities:</b>  |                |                |                              |
| a In respect of guarantees given by Banks and/ or counter guarantees given by the group   | 121.23         | 83.30          | 51.48                        |
| b In respect of Income Tax matters pending before appellate authorities   | 1.21           | 0.70           | -                            |
| c Claims against the group not acknowledged as debts  | 2.01           | -              | -                            |
| <b>B Commitments:</b>   |                |                |                              |
| a As per the terms of the contract of Chartered Speed Limited with M/s. Ahmedabad Janmarg Limited ["AJL"], a wholly owned subsidiary of Ahmedabad Municipal Corporation, the group is under an obligation to purchase the "Contracted Buses" [i.e. the buses which are owned by the AJL and maintained & operated by the group] after the completion of the contract [in F.Y. 2022-23] at a price fixed in the agreement subject to fulfilment of terms and conditions of the agreement. The group has given a "Adjustable Security Deposit" amounting INR 37.80 Million to AJL and the said deposit will be adjusted against the purchase of buses by the group. | 37.80          | 37.80          | 37.80                        |
| b As per the terms of the contract of Chartered Speed Limited with Surat Municipal Corporation ["SMC"], the group is under an obligation to purchase the "Chassis of Contracted Buses" [i.e. Chassis of the buses which are owned by the SMC and maintained & operated by the group] after the completion of the contract [in F.Y. 2023-24] at a price fixed in the agreement subject to fulfilment of terms and conditions of the agreement.   | 40.69          | 40.69          | -                            |
| c As per the terms of the contract of Chartered Bike Private Limited with The Bhopal Smart City Development Corporation Limited, the group is under an obligation to Install, Operate and Maintain specified number of Bikes and construct specified number of stations. The group has already started the project. However, the group is yet to install the requisite number of bikes and stations, as per the terms of the contract. The amount thereof is not quantifiable.  | -              | -              | -                            |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**  
**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

|  | INR Million         |                 |                    |
|--|---------------------|-----------------|--------------------|
|  | Year ended March 31 |                 |                    |
|  | 2018                | 2017            | 2016<br>[Proforma] |
| <b>Note: 28 - Revenue from Operations:</b>   |                     |                 |                    |
| Sale of Services:  |                     |                 |                    |
| Bus operations   | 2,420.71            | 2,024.48        | 1,736.96           |
| Taxi operations  | 46.15               | 42.63           | 54.77              |
| Cargo and parcel income  | 67.46               | 30.44           | -                  |
| Others   | 1.95                | -               | 8.50               |
|  | <b>2,536.27</b>     | <b>2,097.55</b> | <b>1,800.23</b>    |
| Sale of Products:  |                     |                 |                    |
| Sale of motor oils and lubricants, tyres and heavy vehicle spares, Tools and Other Consumables   | 6.29                | 116.92          | 200.48             |
| Bus body sales   | -                   | 135.78          | -                  |
| Others   | 1.15                | 0.34            | 0.15               |
|  | <b>7.44</b>         | <b>253.04</b>   | <b>200.63</b>      |
| Other Operating Revenues:  |                     |                 |                    |
| Canteen Sales  | 7.76                | 8.04            | 6.72               |
| Advertisement Income   | 7.12                | 4.31            | 0.66               |
| Others   | 4.17                | 7.08            | 5.17               |
|  | <b>19.05</b>        | <b>19.43</b>    | <b>12.55</b>       |
| <b>Total</b>   | <b>2,562.76</b>     | <b>2,370.02</b> | <b>2,013.41</b>    |
| <b>Note: 29 - Other Income:</b>  |                     |                 |                    |
| Finance Income:  |                     |                 |                    |
| Interest Income on Financial Assets measured at Amortised Cost   | 2.13                | 5.80            | 3.87               |
| Other Interest   | 0.01                | -               | -                  |
| Total  | <b>2.14</b>         | <b>5.80</b>     | <b>3.87</b>        |
| Net Gain on investments measured at FVTPL  | -                   | 41.80           | -                  |
| Net Gain on foreign currency transaction and translation   | 0.01                | 0.32            | -                  |
| Profit on sale of investment in subsidiary   | -                   | 2.58            | -                  |
| Rent   | -                   | -               | 0.75               |
| Profit on sale of property, plant and equipment (net) [*]  | 16.34               | 6.47            | 0.27               |
|  | <b>18.49</b>        | <b>56.96</b>    | <b>4.89</b>        |
| Other Non-operating Income   | 4.78                | 2.39            | 0.62               |
| <b>Total</b>   | <b>23.27</b>        | <b>59.35</b>    | <b>5.51</b>        |
| [*] Includes amount received by the group, upon settlement of insurance claims in respect of fully damaged vehicles, in excess of the WDV of respective Property, Plant and Equipment. | 13.23               | 4.53            | -                  |
| <b>Note: 30 - Cost of Materials Consumed:</b>  |                     |                 |                    |
| Bus Body Materials:  |                     |                 |                    |
| Stock at commencement  | -                   | -               | -                  |
| Add: Purchases   | -                   | 96.78           | 0.33               |
|  | -                   | 96.78           | 0.33               |
| Less: Stock at close   | -                   | -               | -                  |
|  | -                   | 96.78           | 0.33               |
| <b>Total</b>   | -                   | 96.78           | 0.33               |
| <b>Note: 31 - Purchases of Stock-in-Trade:</b>   |                     |                 |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | 3.02                | 95.57           | 185.62             |
| Canteen purchase   | 6.93                | 6.62            | 5.19               |
| Others   | 4.33                | 2.32            | -                  |
| <b>Total</b>   | <b>14.28</b>        | <b>104.51</b>   | <b>190.81</b>      |
| <b>Note: 32 - Changes in Inventories of Traded Goods:</b>  |                     |                 |                    |
| Stock at commencement:   |                     |                 |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | 5.25                | 15.36           | 17.15              |
|  | <b>5.25</b>         | <b>15.36</b>    | <b>17.15</b>       |
| Less: Stock at close:  |                     |                 |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | 2.93                | 5.25            | 21.47              |
|  | <b>2.93</b>         | <b>5.25</b>     | <b>21.47</b>       |
| Less: Stock consumed for development of Intangible Assets  | (1.72)              | -               | -                  |
|  | <b>0.60</b>         | <b>10.11</b>    | <b>(4.32)</b>      |
| <b>Total</b>   | <b>0.60</b>         | <b>10.11</b>    | <b>(4.32)</b>      |
| <b>Note: 33 - Operating Expenses</b>   |                     |                 |                    |
| Consumption of Fuel  | 1,008.84            | 860.07          | 693.59             |
| Vehicle running, repairs and maintenance   | 259.29              | 224.41          | 198.53             |
| Vehicle Toll tax, RTO and Parking expenses   | 108.71              | 81.70           | 70.57              |
| Tyre Expenses  | 52.66               | 63.07           | 46.62              |
| Royalty  | 13.54               | 8.51            | 7.34               |
| Insurance  | 42.80               | 23.78           | 22.08              |
| Commission   | 4.12                | 2.68            | 0.57               |
| Sub merchant charges   | 28.60               | 14.75           | 11.06              |
| Other operating expenses   | 1.44                | 2.56            | 1.93               |
|  | <b>1,520.01</b>     | <b>1,281.53</b> | <b>1,052.29</b>    |
| <b>Note: 34 - Employee Benefits Expense:</b>   |                     |                 |                    |
| Salaries and wages [*]   | 380.04              | 328.01          | 237.70             |
| Gratuity   | 5.04                | 3.69            | 1.52               |
| Contribution to provident and other funds [**]   | 33.40               | 22.71           | 12.03              |
| Staff welfare expenses   | 18.04               | 15.04           | 9.01               |
| <b>Total</b>   | <b>436.52</b>       | <b>369.45</b>   | <b>260.26</b>      |
| [*] Includes Directors' Remuneration   | 25.20               | 12.60           | 8.40               |
| [**] The group's contribution towards defined contribution plan:   |                     |                 |                    |
| Provident fund   | 17.95               | 14.76           | 8.62               |
| Employee's state insurance   | 15.45               | 7.95            | 3.41               |
| Total  | <b>33.40</b>        | <b>22.71</b>    | <b>12.03</b>       |
| <b>Note: 35 - Finance Cost:</b>  |                     |                 |                    |
| Interest expense [*]   | 55.83               | 51.39           | 59.76              |
| Bank Commission  | 0.11                | 0.09            | -                  |
| Other Borrowing Costs  | 0.97                | 3.13            | 2.77               |
| <b>Total</b>   | <b>56.91</b>        | <b>54.61</b>    | <b>62.53</b>       |
| [*] The break up of interest expense into major heads is given below:  |                     |                 |                    |
| On term loans  | 47.59               | 44.25           | 52.54              |
| On working capital loans   | 6.78                | 6.56            | 0.58               |
| Others (including interest on delayed payment of statutory dues)   | 1.46                | 0.58            | 6.64               |
| Total  | <b>55.83</b>        | <b>51.39</b>    | <b>59.76</b>       |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  
ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

|  | INR Million         |               |                    |
|--|---------------------|---------------|--------------------|
|  | Year ended March 31 |               |                    |
|  | 2018                | 2017          | 2016<br>[Proforma] |
| <b>Note: 36-Other Expenses:</b>  |                     |               |                    |
| Advertisement and business promotion expenses  | 21.82               | 23.27         | 17.96              |
| Electricity  | 7.51                | 7.50          | 6.22               |
| Rent [*]   | 14.26               | 16.15         | 13.94              |
| Legal and professional   | 8.55                | 10.12         | 5.28               |
| Telephone and postage  | 6.19                | 6.40          | 5.26               |
| Travelling and conveyance  | 3.23                | 5.78          | 4.09               |
| Printing and stationery  | 3.93                | 3.07          | 2.68               |
| Tanker running expenses  | -                   | -             | 0.73               |
| Rates & Taxes  | 2.10                | 0.46          | 1.31               |
| Repairs and Maintenance:   |                     |               |                    |
| Computers  | 1.11                | 1.84          | 1.35               |
| Vehicles   | 0.98                | 1.33          | 1.78               |
| Building   | 0.84                | 0.72          | -                  |
| Machinery  | 0.23                | 0.18          | 0.29               |
| Others   | 2.02                | 3.57          | 1.90               |
| Insurance expenses   | 1.39                | 2.06          | 2.38               |
| Security expenses  | 3.50                | 2.25          | 2.06               |
| Freight outward  | 0.10                | 1.02          | 1.81               |
| Festival celebration expenses  | 0.68                | 1.21          | 0.61               |
| Office expenses  | 1.62                | 1.76          | 4.37               |
| Warranty   | -                   | 0.75          | -                  |
| Net loss on investments measured at FVTPL  | 3.08                | -             | 6.64               |
| Other Bank charges   | 0.29                | 1.67          | 1.29               |
| Donation   | 8.66                | 1.10          | 0.15               |
| Bad Debts:   |                     |               |                    |
| Bad debts written off  | 0.78                | 0.75          | 0.36               |
| Impairment allowances  | -                   | 1.54          | -                  |
|  | 0.78                | 2.29          | 0.36               |
| Less: Transferred from impairment allowances   | -                   | -             | -                  |
|  | 0.78                | 2.29          | 0.36               |
| Miscellaneous Expenses [**]  | 22.62               | 11.29         | 6.93               |
| <b>Total</b>   | <b>115.49</b>       | <b>105.79</b> | <b>89.39</b>       |
| [*] The Group has taken various residential/ office premises under operating lease or leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no sub-leases. The lease payments recognised under "Rent Expenses" are:  | 14.26               | 16.15         | 13.94              |
| [**] Miscellaneous Expenses include:   |                     |               |                    |
| a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013   | 1.15                | 3.33          | 1.14               |
| b Payment to the Statutory Auditors [excluding Service Tax]:   | -                   | -             | -                  |
| As Auditor   | 1.11                | 1.02          | 0.12               |
| Out of Pocket Expenses - Previous Auditor  | 0.17                | -             | -                  |
| Total  | 1.28                | 1.02          | 0.12               |
| <b>Note: 37 - Tax Expenses:</b>  |                     |               |                    |
| <b>The major components of income tax expense are:</b>   |                     |               |                    |
| <b>A Statement of profit and loss:</b>   |                     |               |                    |
| <b>Profit or loss section:</b>   |                     |               |                    |
| <b>Current income tax:</b>   |                     |               |                    |
| Current income tax charge  | 91.71               | 58.87         | 67.05              |
| Adjustments in respect of current income tax of previous year  | -                   | -             | (3.12)             |
|  | 91.71               | 58.87         | 63.93              |
| <b>Deferred tax:</b>   |                     |               |                    |
| Relating to origination and reversal of temporary differences [Refer Note-8]   | (20.08)             | 9.79          | (7.38)             |
| <b>Tax expense reported in the statement of profit or loss</b>   | <b>71.63</b>        | <b>68.66</b>  | <b>56.55</b>       |
| <b>OCI Section:</b>  |                     |               |                    |
| Tax related to items recognised in OCI during in the year:   |                     |               |                    |
| Net loss/ (gain) on remeasurements of defined benefit plans  | 0.14                | 0.41          | (0.59)             |
| Tax charged to OCI   | 0.14                | 0.41          | (0.59)             |
| <b>B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>  |                     |               |                    |
| Profit before tax  | 195.99              | 210.14        | 164.73             |
| Enacted Tax Rate in India (%)  | 34.61%              | 34.61%        | 34.61%             |
| Expected Tax Expenses  | 67.83               | 72.72         | 57.01              |
| Adjustments for:   |                     |               |                    |
| Tax effect due to set off/carry forward/reversal of business losses/unabsorbed depreciation/MAT Credit   | 1.37                | (0.24)        | (0.70)             |
| Effect of additional deductions in taxable income  | (0.004)             | (1.74)        | (0.07)             |
| Effect of differential tax rates [*]   | 0.38                | 0.24          | (0.34)             |
| Effect of non-deductible expenses  | 38.90               | 7.38          | 9.54               |
| Tax effect due to non taxable income for tax purpose   | (17.55)             | (16.24)       | (1.33)             |
| Effect of lower tax rate on specified income   | (0.16)              | (0.23)        | (0.10)             |
| Effect of elimination of intra group transaction   | 0.14                | (0.52)        | 0.12               |
| Others   | 0.81                | (2.51)        | 2.91               |
| Total  | 23.88               | (13.85)       | 10.04              |
| <b>Tax Expenses as per Statement of Profit and Loss [Current tax]</b>  | <b>91.71</b>        | <b>58.87</b>  | <b>67.05</b>       |
| [*] The tax rates applicable to the parent and subsidiaries vary from 19.05 % to 34.61% in accordance with the Income Tax Act, 1961. For the purpose of determining the taxable results of the subsidiaries for the year, the accounting results have been adjusted for tax purposes. Such adjustments include items relating to both income and expense, and are based on the current understanding of the existing tax laws and regulations and tax practices. |                     |               |                    |
| <b>Note: 38 - Calculation of Earnings per Equity Share [EPS]:</b>  |                     |               |                    |
| The numerators and denominators used to calculate the basic and diluted EPS are as follows:  |                     |               |                    |
| <u>Based on the basic and weighted average number of equity shares [*]:</u>  |                     |               |                    |
| A Profit attributable to Shareholders  | INR Million         | 126.40        | 142.66             |
| B Basic and weighted average number of Equity shares outstanding during the year   | Numbers             | 28,026,772    | 28,026,710         |
| C Nominal value of equity share  | INR                 | 10            | 10                 |
| D Basic & Diluted EPS  | INR                 | 4.51          | 5.09               |
| [*] Note:  |                     |               |                    |
| The company has issued Bonus shares during the year 2018-19 in the ratio of 3 Bonus Equity Shares for 1 Equity shares held on the record date. Accordingly, the company has allotted 2,10,37,110 Bonus Equity shares.  |                     |               |                    |
| The Earning Per Share, as stated above, has been adjusted after giving effect of the total number of Bonus Shares issued by the company as mentioned above.  |                     |               |                    |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 39 - Segment Information:**

The group has generated revenue from following business segments:

- a Bus Operations
- b Taxi Operations
- c Cargo and Parcel Service
- d Advertising Income
- e Non-Motorized Transportation
- f Car care services

During the year ended 31st March, 2018, the total revenue and profits generated from segments - Taxi Operations, Cargo and Parcel income, Advertisement income, Non Motorized transportation and Car care services was individually less than 10% of total revenue and total profits. Also, total revenue and loss from sale of stores and spares is less than 10% of absolute value of the combined results of all segments. Further, the group primarily operates in India. Accordingly, no additional disclosure are required under segment reporting for business and geographical segments.

**Note: 40 - Group Information**

Consolidated Financial Statements as at March 31, 2018, 2017 and 2016 comprise the Financial Statements [FS] of Chartered Speed Limited and its subsidiaries.

| Sr. No. | Name of subsidiaries   | Country of Incorporation | Principal Activity                                   | Status of FS as at 31st March 2018 | % equity interest as at March 31 |      |                 |
|---------|--|--------------------------|--|------------------------------------|----------------------------------|------|-----------------|
|         |  |                          |  |                                    | 2018                             | 2017 | 2016 [Proforma] |
| 1       | Chartered Bus Private Limited [ Formerly known as Chartered Cabs Private Limited ] | India                    | Passenger Transport Industry                         | Audited                            | 100%                             | 100% | 100%            |
| 2       | Chartered Marble Private Limited   | India                    | Extracting Marbles from Mines                        | Audited                            | 51%                              | 51%  | 51%             |
| 3       | Chartered Bike Private Limited [ Formerly known as Next Bike One Private Limited ] | India                    | Supply and operation of Non-motorized transportation | Audited                            | 74%                              | 74%  | 74%             |
| 4       | Chartered AutoZone Private Limited [Associate as at March 31, 2017, 2018]          | India                    | Car care services                                    | Audited                            | 26%                              | 26%  | 51%             |
| 5       | Chartered Auto Components Private Limited  | India                    | Trading in Auto Components and parts                 | Audited                            | 0%                               | 0%   | 51%             |
| 6       | Rise Auto Private Limited  | India                    | Authorized Service Station for Chevrolet             | Audited                            | 75%                              | -    | -               |

**Note: 41 - Statutory Group Information**

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

| Particulars  | Net Assets i.e. total assets minus total Liabilities |               | Share in Profit/ [Loss ]        |               | Share in Other Comprehensive income |               | Share in total Comprehensive income |               |
|--|--|---------------|---------------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
|  | As % of Consolidated Net Assets                      | INR Million   | As % of Consolidated Net Assets | INR Million   | As % of Consolidated Net Assets     | INR Million   | As % of Consolidated Net Assets     | INR Million   |
| <b>Parent:</b>                                       |  |               |                                 |               |                                     |               |                                     |               |
| Chartered Speed Limited                              | 100.23%  | 591.84        | 99.79%                          | 124.10        | 98.96%                              | (0.27)        | 99.79%                              | 123.83        |
| <b>Subsidiaries:</b>                                 |  |               |                                 |               |                                     |               |                                     |               |
| Chartered Bus Private Limited                        | -0.06%   | (0.36)        | 5.06%                           | 6.30          | 0.00%                               | -             | 5.07%                               | 6.30          |
| Chartered Marble Private Limited                     | -0.68%   | (3.99)        | -0.99%                          | (1.23)        | 0.00%                               | -             | -0.99%                              | (1.23)        |
| Chartered Bike Private Limited                       | 0.64%  | 3.77          | -4.43%                          | (5.51)        | 0.00%                               | -             | -4.44%                              | (5.51)        |
| Rise Auto Private Limited                            | 0.01%  | 0.06          | 0.02%                           | 0.02          | 0.00%                               | -             | 0.02%                               | 0.02          |
| <b>Non-Controlling Interest in all Subsidiaries:</b> | -0.16%   | (0.96)        | -1.63%                          | (2.03)        | 0.00%                               | -             | -1.64%                              | (2.03)        |
| <b>Share of Associates:</b>                          | 0.00%  | -             | 0.00%                           | -             | 0.00%                               | -             | 0.00%                               | -             |
| <b>Total Elimination/ Consolidation Adjustments:</b> | 0.02%  | 0.13          | 2.19%                           | 2.72          | 0.00%                               | -             | 2.19%                               | 2.72          |
| <b>Grand Total</b>                                   | <b>100.00%</b>                                       | <b>590.49</b> | <b>100.00%</b>                  | <b>124.36</b> | <b>98.96%</b>                       | <b>(0.27)</b> | <b>100.00%</b>                      | <b>124.09</b> |

**Note: 42 - Related Party Transactions:**

**A Name of the Related Parties and Nature of the Related Party Relationship:**

**a Associate Company:**

- 1 Chartered Autozone Pvt. Ltd.

**b Key Managerial Personnel:**

- 1 Pankaj Kumar Gandhi Managing Director
- 2 Alka Gandhi Director & wife of Managing Director
- 3 Kinjal Gandhi Director & Daughter of Managing Director
- 4 Sanyam Gandhi Director [ w.e.f. March 17, 2018 ] & Son of Managing Director
- 5 Deen Bandhu Gaggar Chief Financial Officer [w.e.f. March 17, 2018]
- 6 Ranveer Singh Company Secretary [till Jan 18, 2018]
- 7 Nirav Patel Company Secretary [w.e.f. March 17, 2018]

**c Enterprises significantly influenced by Directors and/or their relatives:**

- 1 Raman Holding Pvt. Ltd.
- 2 Chartered Greentech Pvt. Ltd. [Formerly known as Merisuraksha Assurance Brokers Pvt. Ltd.]
- 3 Chartered Nextgen Solutions Pvt. Ltd. [Formerly known as Traffilog India Pvt. Ltd.]
- 4 Chartered Auto Components Pvt. Ltd.
- 5 Chartered Bike Private Limited [upto FY 2015-16]

**B Transactions with Related Parties:**

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length:

- a Details relating to parties referred to in Note 42-A [a & c]

**Value of the Transactions [INR Million]**

| Nature of Transactions                  | Value of the Transactions [INR Million] |      |                 |  |      |                 |
|---|---|------|-----------------|--|------|-----------------|
|   | Associate Companies                     |      |                 | Enterprises significantly influenced by Directors and/or their relatives |      |                 |
|   | Year ended March 31                     |      |                 |  |      |                 |
|   | 2018                                    | 2017 | 2016 [Proforma] | 2018   | 2017 | 2016 [Proforma] |
| <b>(i) Purchases:</b>                   |   |      |                 |  |      |                 |
| <b>Goods:</b>                           |   |      |                 |  |      |                 |
| Chartered Nextgen Solutions Pvt. Ltd.   | -                                       | -    | -               | -  | -    | 0.06            |
| Chartered Auto Components Pvt. Ltd.     | -                                       | -    | -               | 1.99   | 0.78 | -               |
| Chartered Autozone Pvt. Ltd.            | 1.71                                    | 2.01 | -               | -  | -    | -               |
| Total                                   | 1.71                                    | 2.01 | -               | 1.99   | 0.78 | 0.06            |
| <b>Services:</b>                        |   |      |                 |  |      |                 |
| Chartered Auto Components Pvt. Ltd.     | -                                       | -    | -               | -  | 0.75 | -               |
| Total                                   | -                                       | -    | -               | -  | 0.75 | -               |
| <b>Property, Plant and Equipment's:</b> |   |      |                 |  |      |                 |
| Chartered Autozone Pvt. Ltd.            | -                                       | 2.50 | -               | -  | -    | -               |
| Total                                   | -                                       | 2.50 | -               | -  | -    | -               |

CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]

ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS

Note: 42 - Related Party Transactions-Continued:

| Nature of Transactions                      | Value of the Transactions [INR Million] |       |                    |  |       |                    |
|---|---|-------|--------------------|--|-------|--------------------|
|   | Associate Companies                     |       |                    | Enterprises significantly influenced by Directors and/or their relatives |       |                    |
|   | Year ended March 31                     |       |                    |  |       |                    |
|   | 2018                                    | 2017  | 2016<br>[Proforma] | 2018   | 2017  | 2016<br>[Proforma] |
| <b>[ii] Sales:</b>                          |   |       |                    |  |       |                    |
| <b>Goods:</b>                               |   |       |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                | 0.002                                   | 0.45  | -                  | -  | -     | -                  |
| Chartered Nextgen Solutions Pvt. Ltd.       | -                                       | -     | -                  | -  | 0.02  | -                  |
| Chartered Auto Components Pvt. Ltd.         | -                                       | -     | -                  | 2.54   | -     | -                  |
| Total                                       | 0.002                                   | 0.45  | -                  | 2.54   | 0.02  | -                  |
| <b>Reimbursement of expenses recovered:</b> |   |       |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                | -                                       | 0.07  | -                  | -  | -     | -                  |
| Chartered Bike Pvt. Ltd.                    | -                                       | -     | -                  | -  | -     | 0.02               |
| Chartered Nextgen Solutions Pvt. Ltd.       | -                                       | -     | -                  | -  | 0.02  | -                  |
| Total                                       | -                                       | 0.07  | -                  | -  | 0.02  | 0.02               |
| <b>Rent Income</b>                          |   |       |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                     | -                                       | -     | -                  | -  | -     | 0.18               |
| Total                                       | -                                       | -     | -                  | -  | -     | 0.18               |
| <b>[iii] Investments:</b>                   |   |       |                    |  |       |                    |
| <b>Redemption of Investments:</b>           |   |       |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                     | -                                       | -     | -                  | -  | 0.25  | -                  |
| Total                                       | -                                       | -     | -                  | -  | 0.25  | -                  |
| <b>[iv] Finance:</b>                        |   |       |                    |  |       |                    |
| <b>Inter Corporate Loans taken:</b>         |   |       |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                     | -                                       | -     | -                  | 1.78   | 3.79  | 26.60              |
| Chartered Auto components Pvt Ltd           | -                                       | -     | -                  | 8.35   | -     | -                  |
| Chartered Autozone Pvt Ltd                  | 9.81                                    | -     | -                  | -  | -     | -                  |
| Total                                       | 9.81                                    | -     | -                  | 10.13  | 3.79  | 26.60              |
| <b>Inter Corporate Loans repaid:</b>        |   |       |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                     | -                                       | -     | -                  | 0.07   | 3.79  | 26.60              |
| Chartered Auto components Pvt Ltd           | -                                       | -     | -                  | 8.01   | -     | -                  |
| Chartered Autozone Pvt Ltd                  | 9.81                                    | -     | -                  | -  | -     | -                  |
| Total                                       | 9.81                                    | -     | -                  | 8.08   | 3.79  | 26.60              |
| <b>Inter Corporate Loans given:</b>         |   |       |                    |  |       |                    |
| Chartered Auto Components Pvt. Ltd.         | -                                       | -     | -                  | 11.98  | 21.38 | -                  |
| Chartered Autozone Pvt. Ltd.                | 34.08                                   | 54.75 | -                  | -  | -     | -                  |
| Raman Holding Pvt Ltd                       | -                                       | -     | -                  | 0.33   | -     | -                  |
| Total                                       | 34.08                                   | 54.75 | -                  | 12.31  | 21.38 | -                  |
| <b>Inter Corporate Loans received back:</b> |   |       |                    |  |       |                    |
| Chartered Auto Components Pvt. Ltd.         | -                                       | -     | -                  | 11.98  | 21.38 | -                  |
| Chartered Autozone Pvt. Ltd.                | 34.08                                   | 54.75 | -                  | -  | -     | -                  |
| Raman Holding Pvt Ltd                       | -                                       | -     | -                  | 0.33   | -     | -                  |
| Total                                       | 34.08                                   | 54.75 | -                  | 12.31  | 21.38 | -                  |
| <b>[v] Outstanding:</b>                     |   |       |                    |  |       |                    |
| <b>Payable:</b>                             |   |       |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                     | -                                       | -     | -                  | 1.71   | -     | -                  |
| Total                                       | -                                       | -     | -                  | 1.71   | -     | -                  |
| <b>Receivable:</b>                          |   |       |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                | 0.01                                    | -     | -                  | -  | -     | -                  |
| Chartered Auto Components Pvt. Ltd.         | -                                       | -     | -                  | 2.02   | -     | -                  |
| Total                                       | 0.01                                    | -     | -                  | 2.02   | -     | -                  |

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length:

a Details relating to parties referred to in Note 42-A [b]

|  | Value of the Transactions [INR Million] |        |                    |
|--|---|--------|--------------------|
|  | Key Managerial Personnel                |        |                    |
|  | Year ended March 31                     |        |                    |
|  | 2018                                    | 2017   | 2016<br>[Proforma] |
| <b>[i] Purchases:</b>                            |   |        |                    |
| <b>Services:</b>                                 |   |        |                    |
| Sanyam Gandhi                                    | 12.08                                   | -      | -                  |
| Total  | 12.08                                   | -      | -                  |
| <b>Reimbursement of expenses paid:</b>           |   |        |                    |
| Sanyam Gandhi                                    | -                                       | 0.03   | -                  |
| Pankaj Kumar Gandhi                              | -                                       | 0.04   | -                  |
| Total  | -                                       | 0.07   | -                  |
| <b>Property, Plant and Equipment's:</b>          |   |        |                    |
| Pankaj Kumar Gandhi                              | 1.20                                    | -      | -                  |
| Total  | 1.20                                    | -      | -                  |
| <b>Rent expenses:</b>                            |   |        |                    |
| Pankaj Kumar Gandhi                              | 0.90                                    | 3.00   | 3.00               |
| Alka Gandhi                                      | 1.04                                    | 1.04   | 1.16               |
| Total  | 1.94                                    | 4.04   | 4.16               |
| <b>[iii] Investments:</b>                        |   |        |                    |
| <b>Purchases/ Subscription to Share Capital:</b> |   |        |                    |
| Pankaj Kumar Gandhi                              | -                                       | 0.038  | -                  |
| Alka Gandhi                                      | -                                       | 0.036  | -                  |
| Total  | -                                       | 0.074  | -                  |
| <b>[iv] Finance:</b>                             |   |        |                    |
| <b>Unsecured Loan from directors:</b>            |   |        |                    |
| Pankaj Kumar Gandhi                              | 200.51                                  | 175.45 | 93.09              |
| Alka Gandhi                                      | 70.58                                   | 172.28 | 283.40             |
| Kinjal Gandhi                                    | 26.78                                   | 6.57   | 18.41              |
| Total  | 297.87                                  | 354.29 | 394.90             |
| <b>Unsecured Loan from directors repaid:</b>     |   |        |                    |
| Pankaj Kumar Gandhi                              | 189.09                                  | 190.51 | 78.03              |
| Alka Gandhi                                      | 70.16                                   | 186.26 | 269.43             |
| Kinjal Gandhi                                    | 13.04                                   | 9.91   | 15.06              |
| Total  | 272.28                                  | 386.68 | 362.52             |

|  | Value of the Transactions [INR Million] |       |       |
|--|---|-------|-------|
|  | Key Managerial Personnel                |       |       |
|  | Year ended March 31                     |       |       |
| <b>Loan Given:</b>                                       |   |       |       |
| Sanyam Gandhi  | -                                       | 12.69 | -     |
| Total  | -                                       | 12.69 | -     |
| <b>Loan received back:</b>                               |   |       |       |
| Sanyam Gandhi  | -                                       | 12.69 | -     |
| Total  | -                                       | 12.69 | -     |
| <b>Equity Shares Issued [incl. securities premium] :</b> |   |       |       |
| Alka Gandhi  | 25.05                                   | -     | -     |
| Total  | 25.05                                   | -     | -     |
| <b>Interest expenses</b>                                 |   |       |       |
| Pankaj Kumar Gandhi                                      | 2.81                                    | 1.46  | 0.54  |
| Alka Gandhi  | 0.72                                    | 0.75  | 1.72  |
| Kinjal Gandhi  | 0.84                                    | 0.16  | 0.23  |
| Total  | 4.36                                    | 2.37  | 2.49  |
| <b>[v] Outstanding:</b>                                  |   |       |       |
| <b>Payable:</b>  |   |       |       |
| Pankaj Kumar Gandhi                                      | 13.96                                   | -     | 15.06 |
| Alka Gandhi  | 1.07                                    | -     | 13.98 |
| Kinjal Gandhi  | 14.49                                   | -     | 3.34  |
| Total  | 29.52                                   | -     | 32.39 |

|  | INR Million          |       |            |
|--|----------------------|-------|------------|
|  | Year ended March 31, |       |            |
|  | 2018                 | 2017  | 2016       |
|  |                      |       | [Proforma] |
| Salaries and other employee benefits to Managing Director, Executive Director and other executive officers | 29.86                | 12.78 | 8.40       |
| Outstanding payable to above   | 0.20                 | 0.02  | -          |

**Note: 43 - Financial Instruments:**

**A Fair values hierarchy:**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices [unadjusted] in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**B Financial assets and liabilities measured at fair value - recurring fair value measurements:**

|  | INR Million                    |         |             |               |
|--|--------------------------------|---------|-------------|---------------|
|  | As at March 31, 2018           |         |             |               |
|  | Level 1                        | Level 2 | Level 3     | Total         |
| <b>Financial assets:</b>               |                                |         |             |               |
| <b>Financial Investments at FVTPL:</b> |                                |         |             |               |
| Mutual Funds                           | 113.93                         | -       | -           | 113.93        |
| Quoted equity instruments              | 34.23                          | -       | -           | 34.23         |
| <b>Total financial assets</b>          | <b>148.16</b>                  | -       | -           | <b>148.16</b> |
| <b>Financial liabilities</b>           | -                              | -       | -           | -             |
|  |                                |         |             |               |
|  | As at March 31, 2017           |         |             |               |
|  | Level 1                        | Level 2 | Level 3     | Total         |
| <b>Financial assets:</b>               |                                |         |             |               |
| <b>Financial Investments at FVTPL:</b> |                                |         |             |               |
| Mutual Funds                           | 94.52                          | -       | -           | 94.52         |
| Quoted equity instruments              | 51.54                          | -       | -           | 51.54         |
| <b>Total financial assets</b>          | <b>146.06</b>                  | -       | -           | <b>146.06</b> |
| <b>Financial liabilities</b>           | -                              | -       | -           | -             |
|  |                                |         |             |               |
|  | As at March 31, 2016[Proforma] |         |             |               |
|  | Level 1                        | Level 2 | Level 3     | Total         |
| <b>Financial assets:</b>               |                                |         |             |               |
| <b>Financial Investments at FVTPL:</b> |                                |         |             |               |
| Mutual Funds                           | 56.35                          | -       | -           | 56.35         |
| Unquoted equity instruments            | -                              | -       | 0.05        | 0.05          |
| Quoted equity instruments              | 43.03                          | -       | -           | 43.03         |
| <b>Total financial assets</b>          | <b>99.38</b>                   | -       | <b>0.05</b> | <b>99.43</b>  |
| <b>Financial liabilities</b>           | -                              | -       | -           | -             |

**C Fair value of instruments measured at amortised cost:**

**Financial Assets:**

The carrying amounts of trade receivables, Loans and advances to related parties and other financial assets [other than derivatives], cash and cash equivalents are considered to be the approximately equal to the fair values.

**Financial Liabilities:**

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 44 - Financial Risk Management:**

**A Financial instruments by category:**

|   | INR Million          |          |                |               |
|---|----------------------|----------|----------------|---------------|
|   | As at March 31, 2018 |          |                |               |
|   | FVTPL                | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>  |                      |          |                |               |
| Investments:  |                      |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates] | 34.23                | -        | -              | 34.23         |
| Mutual Funds  | 113.93               | -        | -              | 113.93        |
| Non Current Other Financial Assets  | -                    | -        | 5.56           | 5.56          |
| Trade receivables   | -                    | -        | 233.87         | 233.87        |
| Cash and Cash Equivalents   | -                    | -        | 46.65          | 46.65         |
| Current Loans   | -                    | -        | 0.41           | 0.41          |
| Other Current Financial Assets  | -                    | -        | 188.18         | 188.18        |
| <b>Total</b>  | <b>148.16</b>        | <b>-</b> | <b>474.67</b>  | <b>622.83</b> |
| <b>Financial liabilities:</b>   |                      |          |                |               |
| Borrowings [including current maturities and interest accrued]                      | -                    | -        | 590.67         | 590.67        |
| Trade payables  | -                    | -        | 13.02          | 13.02         |
| Non Current Other Financial Liabilities   | -                    | -        | 9.91           | 9.91          |
| Other Current Financial Liabilities   | -                    | -        | 107.30         | 107.30        |
| <b>Total</b>  | <b>-</b>             | <b>-</b> | <b>720.90</b>  | <b>720.90</b> |

|   | INR Million          |          |                |               |
|---|----------------------|----------|----------------|---------------|
|   | As at March 31, 2017 |          |                |               |
|   | FVTPL                | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>  |                      |          |                |               |
| Investments:  |                      |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates] | 51.54                | -        | -              | 51.54         |
| Mutual Funds  | 94.52                | -        | -              | 94.52         |
| Non Current Other Financial Assets  | -                    | -        | 15.89          | 15.89         |
| Trade receivables   | -                    | -        | 197.63         | 197.63        |
| Cash and Cash Equivalents   | -                    | -        | 91.14          | 91.14         |
| Other Current Financial Assets  | -                    | -        | 9.47           | 9.47          |
| <b>Total</b>  | <b>146.06</b>        | <b>-</b> | <b>314.13</b>  | <b>460.19</b> |
| <b>Financial liabilities:</b>   |                      |          |                |               |
| Borrowings (including current maturities and interest accrued)                      | -                    | -        | 634.82         | 634.82        |
| Trade payables  | -                    | -        | 10.51          | 10.51         |
| Non Current Other Financial Liabilities   | -                    | -        | 5.00           | 5.00          |
| Other Current Financial Liabilities   | -                    | -        | 85.75          | 85.75         |
| <b>Total</b>  | <b>-</b>             | <b>-</b> | <b>736.08</b>  | <b>736.08</b> |

|   | INR Million                     |          |                |               |
|---|---------------------------------|----------|----------------|---------------|
|   | As at March 31, 2016 [Proforma] |          |                |               |
|   | FVTPL                           | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>  |                                 |          |                |               |
| Investments:  |                                 |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates] | 43.03                           | -        | -              | 43.03         |
| Mutual Funds  | 56.35                           | -        | -              | 56.35         |
| Non Current Other Financial Assets  | -                               | -        | 13.19          | 13.19         |
| Trade receivables   | -                               | -        | 152.91         | 152.91        |
| Cash and Cash Equivalents   | -                               | -        | 72.26          | 72.26         |
| Current Loans   | -                               | -        | 0.28           | 0.28          |
| Other Current Financial Assets  | -                               | -        | 3.22           | 3.22          |
| <b>Total</b>  | <b>99.38</b>                    | <b>-</b> | <b>241.86</b>  | <b>341.24</b> |
| <b>Financial liabilities:</b>   |                                 |          |                |               |
| Borrowings (including current maturities and interest accrued)                      | -                               | -        | 557.76         | 557.76        |
| Trade payables  | -                               | -        | 19.30          | 19.30         |
| Other Current Financial Liabilities   | -                               | -        | 53.92          | 53.92         |
| <b>Total</b>  | <b>-</b>                        | <b>-</b> | <b>630.98</b>  | <b>630.98</b> |

**B Risk Management:**

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Consolidated Financial Statements.

The group's risk management is managed in close co-ordination with the board of directors and focuses on actively securing the group's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the group is exposed are described below:

**a Credit risk:**

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The group is exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. The majority of the customers of the group are Government Agencies or its Special Purpose Entities.

Investments at Amortised Cost are strategic investments in the normal course of business of the Parent company.

Bank deposits : the group maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks Hence, there is no significant credit risk on such deposits.

Loans to related parties are given for business purposes. The group reassesses the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no event of defaults.

Trade Receivable: The Group trades with recognized and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Further, majority of the customers are either Government agencies or its Special Purpose Vehicles. In addition, receivable balances are monitored on an on-going basis with the result that the group's exposure to bad debts is not significant.

There are no significant credit risks with related parties of the Group. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the group's large customer base. Adequate expected credit losses are recognized as per the assessments.

The history of trade receivables shows an allowance for bad and doubtful debts of INR 1.54 Million as at March 31, 2018 [F.Y. 2016-17 INR 1.54 Million, F.Y. 2015-16 INR Million Nil]. The Group has made allowance of INR 0.78 Million [F.Y. 2016-17- INR 2.29 Million, F.Y. 2015-16- INR 0.36 Million ], against trade receivables of INR 233.87 Million [F.Y. 2016-17 - INR 197.63 Million, F.Y. 2015-16 INR 152.91 Million].

| Class of financial assets: carrying amounts                      | INR Million    |                |                              |
|--|----------------|----------------|------------------------------|
|  | As at          |                |                              |
|  | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Security deposit   | 3.38           | 13.83          | 12.93                        |
| Fixed deposits with banks having maturity of more than 12 months | 2.08           | 2.04           | 0.04                         |
| Interest accrued but not due                                     | 0.10           | 0.02           | -                            |
| Others   | -              | -              | 0.22                         |
| Trade receivables  | 233.87         | 197.63         | 152.91                       |
| Cash and Cash Equivalents  | 46.65          | 91.14          | 72.26                        |
| Investment in Mutual Funds                                       | 113.93         | 94.52          | 56.35                        |
| Investment in Equity Securities                                  | 34.23          | 51.54          | 43.03                        |
| Current Loans  | 0.41           | -              | 0.28                         |
| Other Current Financial Assets                                   | 188.18         | 9.47           | 3.22                         |

**Note: 44 - Financial Risk Management:-Continued:**

The ageing of the trade receivable is as under:

| Period (in days)   | INR Million    |                |                              |
|--------------------|----------------|----------------|------------------------------|
|                    | As at          |                |                              |
|                    | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Not due            | 175.22         | 164.97         | 111.70                       |
| 1 - 30 days        | 6.53           | 23.27          | 22.74                        |
| 31 - 90 days       | 9.12           | 1.41           | 16.76                        |
| 91 - 180 days      | 7.22           | 3.96           | 0.82                         |
| More than 180 days | 35.79          | 4.01           | 0.89                         |

**b Liquidity risk:**

- Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the group maintains flexibility in funding by maintaining availability under committed facilities.
- Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group takes into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.
- Maturities of financial liabilities:

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|  | INR Million   |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | < 1 year      | 1-2 year      | 2-3 year      | > 3 years     | Total         |
|  |               |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |               |               |               |               |               |
| Borrowings (including current maturities and interest) | 314.59        | 153.04        | 75.85         | 47.20         | 590.67        |
| Other non current financial liabilities                | -             | -             | -             | 9.91          | 9.91          |
| Trade payable  | 13.02         | -             | -             | -             | 13.02         |
| Provision for Expenses                                 | 2.36          | -             | -             | -             | 2.36          |
| Employee related payable                               | 22.60         | -             | -             | -             | 22.60         |
| Security deposits                                      | 0.27          | -             | -             | -             | 0.27          |
| Payable to Statutory Authorities                       | 45.88         | -             | -             | -             | 45.88         |
| Payable for Capital Goods                              | 21.25         | -             | -             | -             | 21.25         |
| Book Overdraft   | 14.94         | -             | -             | -             | 14.94         |
| Bank Guarantees  | 72.44         | 33.79         | -             | 5.00          | 111.23        |
| Corporate Guarantees                                   | 10.00         | -             | -             | -             | 10.00         |
| <b>Total</b>   | <b>517.35</b> | <b>186.83</b> | <b>75.85</b>  | <b>62.11</b>  | <b>842.13</b> |
|  |               |               |               |               |               |
|  |               |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |               |               |               |               |               |
| Borrowings (including current maturities and interest) | 291.38        | 157.49        | 128.26        | 57.69         | 634.82        |
| Other non current financial liabilities                | -             | -             | -             | 5.00          | 5.00          |
| Trade payable  | 10.51         | -             | -             | -             | 10.51         |
| Provision for Expenses                                 | 2.59          | -             | -             | -             | 2.59          |
| Employee related payable                               | 22.41         | -             | -             | -             | 22.41         |
| Security deposits                                      | 0.40          | -             | -             | -             | 0.40          |
| Payable to Statutory Authorities                       | 25.03         | -             | -             | -             | 25.03         |
| Payable for Capital Goods                              | 7.21          | -             | -             | -             | 7.21          |
| Book Overdraft   | 28.11         | -             | -             | -             | 28.11         |
| Bank Guarantees  | 30.74         | 52.64         | -             | -             | 83.39         |
| <b>Total</b>   | <b>418.38</b> | <b>210.13</b> | <b>128.26</b> | <b>62.69</b>  | <b>819.47</b> |
|  |               |               |               |               |               |
|  |               |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |               |               |               |               |               |
| Borrowings (including current maturities and interest) | 193.15        | 130.35        | 110.66        | 123.60        | 557.76        |
| Trade payable  | 19.30         | -             | -             | -             | 19.30         |
| Provision for Expenses                                 | 0.01          | -             | -             | -             | 0.01          |
| Employee related payable                               | 13.97         | -             | -             | -             | 13.97         |
| Security deposits                                      | 0.33          | -             | -             | -             | 0.33          |
| Payable to Statutory Authorities                       | 11.40         | -             | -             | -             | 11.40         |
| Payable for Capital Goods                              | 1.16          | -             | -             | -             | 1.16          |
| Book Overdraft   | 27.05         | -             | -             | -             | 27.05         |
| Bank Guarantees  | 43.86         | 7.61          | -             | -             | 51.48         |
| <b>Total</b>   | <b>310.23</b> | <b>137.96</b> | <b>110.66</b> | <b>123.60</b> | <b>682.46</b> |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 44 - Financial Risk Management:-Continued:**

**c Interest rate risk:**

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group does not have significant exposure to the risk of changes in market interest rates as group's long-term debt obligations are at fixed interest rates.

**d Price risk:**

**Exposure:**

The group's exposure to price risk arises from investments in equity and mutual fund held by the group and classified in the balance sheet as fair value through OCI. group manages price risk is done through sensitivity analysis.

**Sensitivity:**

The table below summarises the impact of increases/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 10% or decreased by 10% with all other variables held constant.

|                                    | Movement in Rate | INR Million    |                        |                |                        |                           |                        |
|------------------------------------|------------------|----------------|------------------------|----------------|------------------------|---------------------------|------------------------|
|                                    |                  | March 31, 2018 |                        | March 31, 2017 |                        | March 31, 2016 [Proforma] |                        |
|                                    |                  | Impact on PAT  | Impact on Other Equity | Impact on PAT  | Impact on Other Equity | Impact on PAT             | Impact on Other Equity |
| <b>Equity Instruments [Quoted]</b> |                  |                |                        |                |                        |                           |                        |
| Increase                           | +10.00%          | 3.42           | -                      | 5.15           | -                      | 4.30                      | -                      |
| Decrease                           | -10.00%          | -3.42          | -                      | -5.15          | -                      | -4.30                     | -                      |
| <b>Mutual Funds [Quoted]</b>       |                  |                |                        |                |                        |                           |                        |
| Increase                           | +10.00%          | 11.39          | -                      | 9.45           | -                      | 5.64                      | -                      |
| Decrease                           | -10.00%          | -11.39         | -                      | -9.45          | -                      | -5.64                     | -                      |

**e Foreign currency risk:**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised liabilities denominated in a currency that is not the Company's functional currency.

**Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

|  | INR Million     |                |                           |
|--|-----------------|----------------|---------------------------|
|  | Exposure of USD |                |                           |
|  | March 31, 2018  | March 31, 2017 | March 31, 2016 [Proforma] |
| <b>Financial assets:</b>                                     | -               | -              | -                         |
| <b>Total exposure to foreign currency risk [assets]</b>      | -               | -              | -                         |
| <b>Financial liabilities:</b>                                |                 |                |                           |
| Trade payable  | -               | 7.21           | -                         |
| <b>Total exposure to foreign currency risk [liabilities]</b> | -               | 7.21           | -                         |
| <b>Net exposure to foreign currency risk</b>                 | -               | (7.21)         | -                         |
|  |                 |                |                           |
|  | Exposure of EUR |                |                           |
|  | March 31, 2018  | March 31, 2017 | March 31, 2016 [Proforma] |
| <b>Financial assets:</b>                                     | -               | -              | -                         |
| <b>Total exposure to foreign currency risk [assets]</b>      | -               | -              | -                         |
| <b>Financial liabilities:</b>                                |                 |                |                           |
| Trade payable  | 0.28            | -              | -                         |
| <b>Total exposure to foreign currency risk [liabilities]</b> | 0.28            | -              | -                         |
| <b>Net exposure to foreign currency risk</b>                 | (0.28)          | -              | -                         |

**Sensitivity:**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments [\*]:

|     | INR              |               |                        |                  |               |                        |                           |               |                        |
|-----|------------------|---------------|------------------------|------------------|---------------|------------------------|---------------------------|---------------|------------------------|
|     | March 31, 2018   |               |                        | March 31, 2017   |               |                        | March 31, 2016 [Proforma] |               |                        |
|     | Movement in Rate | Impact on PAT | Impact on Other Equity | Movement in Rate | Impact on PAT | Impact on Other Equity | Movement in Rate          | Impact on PAT | Impact on Other Equity |
| USD | 4.00%            | -             | -                      | 4.00%            | (0.19)        | -                      | 5.00%                     | -             | -                      |
| USD | -4.00%           | -             | -                      | -4.00%           | 0.19          | -                      | -5.00%                    | -             | -                      |
| EUR | 7.00%            | (0.01)        | -                      | 8.00%            | -             | -                      | 12.00%                    | -             | -                      |
| EUR | -7.00%           | 0.01          | -                      | -8.00%           | -             | -                      | -12.00%                   | -             | -                      |

[\*] Holding all other variables constant

**Note: 45-Capital Management:**

The group's capital management objectives are:

- to ensure the group's ability to continue as a going concern
- to provide an adequate return to shareholders
- maintain an optimal capital structure to reduce the cost of capital.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

|                                   | INR Million    |                |                           |
|-----------------------------------|----------------|----------------|---------------------------|
|                                   | As at          |                |                           |
|                                   | March 31, 2018 | March 31, 2017 | March 31, 2016 [Proforma] |
| <b>1 Total debts to net worth</b> |                |                |                           |
| Gross debts                       | 588.07         | 631.59         | 555.63                    |
| Total equity                      | 590.49         | 441.35         | 297.43                    |
| <b>Gross debt to equity ratio</b> | 1.00           | 1.43           | 1.87                      |

**Loan covenants:**

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants, based on financial information:

- Total Debt to Net Worth must be less than 2.5:1

This is in line with the Company's covenants as agreed with Bankers.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 46 - First time adoption of Ind AS:**

The accounting policies set out in the note here have been applied in preparing the Consolidated Financial Statements for the year ended March 31, 2018, the comparative information presented in these Consolidated Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at March 31, 2016 [the group's date of transition].

In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in Consolidated Financial Statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following notes.

**Exemptions and exceptions availed:**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

**A Deemed cost:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Consolidated Financial Statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments required under other Ind AS. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

**B Leases:**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The group has elected to apply this exemption for such contracts/ arrangements.

**C Designation of previously recognised financial instruments:**

Ind AS 101 allows an entity to designate investments in equity instruments/ Mutual Funds at FVTPL 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 equity investments [other than investment in subsidiaries/ associates] and Mutual Funds.

**D Estimates:**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.

Ind AS estimates as at March 31, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP.

**E Classification of financial assets:**

As per the requirements of Ind AS 101, the group assessed classification of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**F De-recognition of financial assets and liabilities:**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The group has followed such policy.

**G Business combinations:**

The group has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations. The group applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

**Note: 47 - Reconciliation with Indian GAAP [IGAAP]:**

|   |  | INR Million     |                |                             |
|---|--|-----------------|----------------|-----------------------------|
|   |  | As at           |                |                             |
|   |  | March 31, 2017  | March 31, 2016 | April 1, 2015<br>[proforma] |
| <b>A Reconciliation of equity:</b>                          |  |                 |                |                             |
| <b>1 Equity as per IGAAP</b>                                |  | <b>388.74</b>   | 286.20         | 164.97                      |
| <b>2 Add [Less]: Adjustments:</b>                           |  |                 |                |                             |
| a   | Fair Valuation adjustments for financial instruments             | <b>1 (0.10)</b> | (0.17)         | (0.03)                      |
| b   | Fair Valuation adjustments on equity investments / Mutual Funds  | <b>2 49.60</b>  | 16.76          | 27.40                       |
| c   | Deferred Tax on Ind AS adjustments                               | <b>3 (1.88)</b> | (0.02)         | (1.86)                      |
| d   | Recognition of Deficit balance of Non-controlling interest [Net] | <b>4 1.35</b>   | 1.11           | 1.02                        |
| e   | Adjustments due to Borrowings at amortised cost                  | <b>5 0.80</b>   | 0.83           | 0.75                        |
| f   | Restatement Adjustments [Refer Note 54]                          | <b>1.77</b>     | (6.30)         | (3.13)                      |
| h   | Others   | <b>0.02</b>     | -              | (0.09)                      |
| i   | Total  | <b>51.56</b>    | 12.21          | 24.06                       |
| <b>3 Equity as per Restated Ind AS Financial Statements</b> |  | <b>440.30</b>   | 298.41         | 189.03                      |

|  |  | March 31, 2017  |         | March 31, 2016<br>[Proforma] |
|--|--|-----------------|---------|------------------------------|
| <b>B Reconciliation of Net Profit for the year ended March 31, 2017 and March 31, 2016 [Proforma]:</b> |  |                 |         |                              |
| <b>1 Net profit as per IGAAP</b>   |  |                 |         | <b>102.38</b>                |
| <b>2 Add [Less]: Adjustments in statement of profit and loss</b>                                       |  |                 |         | 121.23                       |
| a  | Fair Valuation adjustments for financial instruments                                 | <b>1 0.04</b>   | (0.04)  |                              |
| b  | Fair Valuation adjustments on equity investments / Mutual Funds                      | <b>2 32.84</b>  | (10.64) |                              |
| c  | Deferred Tax on Ind AS adjustments   | <b>3 (1.86)</b> | 1.84    |                              |
| d  | DE recognition of Loss on Non-Controlling Interest upon disposal of Subsidiary [Net] | <b>4 (0.76)</b> | 0.00    |                              |
| e  | Actuarial gain / loss on OCI   | <b>6 0.78</b>   | (1.11)  |                              |
| f  | Other adjustments  | <b>(0.01)</b>   | 0.07    |                              |
| g  | Total  | <b>31.03</b>    | (9.88)  |                              |
| <b>3 Net profit before OCI as per Ind AS</b>   |  |                 |         | <b>133.41</b>                |
| <b>4 Add [Less]: Adjustments in OCI</b>  |  |                 |         | <b>1.11</b>                  |
| <b>5 Total Comprehensive Income as per Ind AS without considering Material Adjustments</b>             |  |                 |         | <b>132.63</b>                |
| <b>6 Restatement Adjustments [Refer Note 54]</b>   |  |                 |         | <b>8.07</b>                  |
| <b>7 Total Comprehensive Income as per Restated Ind AS Financial Statements</b>                        |  |                 |         | <b>140.70</b>                |

**1 Fair Valuation adjustments for financial instruments:**

Under Previous GAAP, Security deposits received/ given to various parties are shown at transaction price.

Under Ind AS, such transactions are discounted to their present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the deposit and its present value is accounted based on the relationship with the parties i.e. Bus Operating Expenses, Rent expenses etc. The unwinding of discount from the date of loan to the transition date is shown as finance income and recognised in "Retained Earnings".

Consequently, the net impact of INR 0.17 Million has been recognised in retained earnings at the transition date and INR 0.04 Million was recognised in Statement of Profit or loss for the year ended March 31, 2017.

Consequently, as at the proforma period of April 1, 2015 the net impact of INR 0.03 Million has been recognised in retained earnings and INR 0.04 Million was recognised in Statement of Profit or loss for the year ended March 31, 2016.

**2 Fair Valuation adjustments on equity investments/ Mutual Funds:**

Under previous GAAP, investments in equity shares and Mutual Funds were carried at cost less provision for diminution (other than temporary), wherever applicable.

Under Ind AS, investments in equity instrument (other than subsidiaries and associates) are required to be recognised and measured at fair value through Profit and loss.

Consequently, the impact of INR 16.76 Million has been recognised in retained earnings at the transition date and INR 32.84 Million was recognised in Statement of Profit or loss for the year ended March 31, 2017.

Consequently, as at the proforma period of April 1, 2015 the impact of INR 27.40 Million has been recognised in retained earnings and INR 10.64 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.

**3 Deferred tax on Ind AS adjustments:**

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Consequently, the impact of INR 0.02 Million has been recognised in retained earnings at the transition date and INR 1.86 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2017.

Consequently, as at the proforma period of April 1, 2015 the impact of INR 1.86 Million has been recognised in retained earnings and INR 1.84 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO CONSOLIDATED IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 47 - Reconciliation with Indian GAAP [IGAAP] [Continued]:**

**4 Recognition of Deficit balance of Non-controlling interest:**

Under Previous GAAP, Excess of loss attributable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority interest except to the extent that the minority has the binding obligation to, and is able to, make good losses.

Under Ind AS, profit or loss and each component of OCI should be attributable to the owners of the parent and to the NCI. The total comprehensive income should be attributable to the owners of the parent and to the NCI even if this results in NCI having a deficit balance. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Consequently, the impact of INR 1.11 Million has been recognised in retained earnings at the transition date and INR 0.76 Million was recognised in Statement of Profit or Loss for the year ended March 31, 2017.

Consequently, as at the proforma period of April 1, 2015 the impact of INR 2.11 Million has been recognised in retained earnings and INR 0.00 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.

**5 Borrowings:**

Under Previous GAAP, the transaction costs incurred towards origination of borrowings are expensed out in statement of profit of loss in the year in which the said expenses were incurred.

Under Ind AS, the transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Consequently, the impact of INR 0.83 Million has been recognised in retained earnings at the transition date and INR 0.01 Million was recognised in the statement of profit or loss for the year ended March 31, 2017.

Consequently, as at the proforma period of April 1, 2015 the impact of INR 0.75 Million has been recognised in retained earnings and INR Million 0.07 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.

**6 Actuarial loss on defined benefit plan:**

Under previous GAAP, remeasurement of defined benefit plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss.

Under Ind AS, such remeasurement (excluding the net interest expenses on the net defined benefit liability) of defined benefit plans is recognised in OCI. Consequently, the related tax effect of the same is also recognised in OCI.

Consequently, the same has been recognised in Other Comprehensive Income and Statement of Profit and Loss.

**Others:**

**Statement of cash flows:**

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

**Note: 48 - Business Combination:**

**Summary of Acquisition of Rise Auto Private Limited:**

Chartered Speed Limited has acquired 75% of equity share holding of Rise Auto Private Limited. The acquisition was made with an objective of expanding the auto part business.

The entire purchase consideration is settled by way of cash. The cash paid for purchase consideration is INR 0.08 Million. The Assets and Liabilities recognised as a result of acquisition are as follows:

| Particulars                      | INR Million |
|----------------------------------|-------------|
| Cash & Cash Equivalent           | 0.09        |
| Other Assets                     | 0.13        |
| Borrowings                       | -0.19       |
| Current Liabilities              | -0.00       |
| Net Identifiable Assets Acquired | <b>0.03</b> |
| Goodwill                         | 0.05        |
| Investment                       | <b>0.08</b> |

| Consideration transferred settled in cash | INR Million |
|---|-------------|
| Consideration transferred                 | 0.08        |
| Less : Cash and Cash Equivalent Acquired  | 0.09        |
| <b>Net Cash Inflow on Acquisition</b>     | <b>0.01</b> |

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to Goodwill and it is not expected to be deductible for tax purpose.

Initial recognition and measurement of the assets and liabilities on acquisition date are determined on the basis of available facts and information.

**Note: 49 - The company has not declared and paid any dividend during the financial year 2015-16, 2016-17 and 2017-18.**

**Note: 50 - Accounting Ratios:**

| A Return on Net worth:  |              | As at             |                |                              |
|---|--------------|-------------------|----------------|------------------------------|
|   |              | March 31, 2018    | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Net Profit (Total Comprehensive Income) available to Equity Shareholders of the Parent  | INR Millions | <b>126.13</b>     | 141.88         | 109.38                       |
| Net worth of the Equity Shareholders of the Parent  | INR Millions | <b>591.45</b>     | 440.29         | 298.41                       |
| Return to Net worth (%)   | %            | <b>21.32%</b>     | 32.22%         | 36.66%                       |
| <b>B Net Assets Value per Share:</b>  |              |                   |                |                              |
| Net worth of the Equity Shareholders of the Parent  | INR Millions | <b>591.45</b>     | 440.29         | 298.41                       |
| Total Number of Equity Shares outstanding at the end of the period  | Numbers      | <b>7,012,370</b>  | 6,989,600      | 6,989,600                    |
| Net Assets Value per Share  | INR          | <b>84.34</b>      | 62.99          | 42.69                        |
| Total Number of Equity Shares outstanding at the end of the period [ As adjusted for bonus shares issued in Financial Year 2018-19 and total number of rights shares issued in 2017-18] | Numbers      | <b>28,049,480</b> |                |                              |
| Net Assets Value per Share [ As adjusted for bonus shares issued in Financial Year 2018-19]   | INR          | <b>21.09</b>      |                |                              |

**Note: 51 - Capitalisation Statement:**

| Particulars  | As at          |   |            |
|--|----------------|---|------------|
|  | March 31, 2018 | Pre-issue as at March 31, 2018<br>[After adjusting bonus shares issued in FY 2018-19] | Post Issue |
| Short Term Debts   | 122.62         | 122.62  | [•]        |
| Long Term Debts (including current maturities thereof)                                   | 465.45         | 465.45  | [•]        |
| Total Debts  | 588.07         | 588.07  | [•]        |
| <b>Shareholders Funds:</b>   |                |   |            |
| Share Capital  | 70.12          | 280.48  | [•]        |
| Reserves & Surplus   | 521.33         | 310.97  | [•]        |
| Total Shareholders Funds   | 591.45         | 591.45  | [•]        |
| <b>Long term debts (including current maturities thereof) to Shareholders fund ratio</b> | 78.70%         | 78.70%  | [•]        |
| <b>Total debts to Shareholders fund ratio</b>  | 99.43%         | 99.43%  | [•]        |

**Note: 52 - Consolidated Financial Statements for the previous year ended March 31, 2017 and March 31, 2016 were audited and reported by another firm of Chartered Accountants.**

**Note: 53 - Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current period's classification.**

**Note : 54 - Details of material adjustments and regrouping / reclassification made to the audited financial statements:**

**A Material adjustments to the audited financial statements:**

| Particulars   | [INR Million]               |               |                 |
|---|-----------------------------|---------------|-----------------|
|   | For the year ended March 31 |               |                 |
|   | 2018                        | 2017          | 2016 [Proforma] |
| Net profit after tax as per Audited financial statements of the respective year (after Ind AS adjustments as per Note No. 47) | 126.03                      | 132.63        | 112.46          |
| Add / Less : Adjustments in respect of -  |                             |               |                 |
| Gratuity Provision [Net] [*]  | -                           | -0.99         | -0.41           |
| Prior Period items [**]   | -1.94                       | 9.06          | -2.76           |
| Total   | -1.94                       | 8.07          | -3.17           |
| Net profit after tax as per Restated financial statements of the respective year  | <b>124.09</b>               | <b>140.70</b> | <b>109.29</b>   |

[\*] The company has not made gratuity provision till the year ended March 31, 2016. The company has recorded cumulative liability towards Gratuity in the financial year 2016-17. Pursuant to this non-compliance of the accounting standard, an adjustment is made in this restated consolidated summary statements.

[\*\*] The expenses / income recorded in current financial year in respect of income / expenses pertaining to earlier year due to error or omission in the respective financial statements are shown as prior period items in the financial statement. Accordingly, an adjustment is made in this restated consolidated summary statements.

**Other Non-adjusting items:**

**For the year 2016-17:**

**Auditors' Qualification Report For The Financial Year Ended March 31, 2017:**

**Paragraph 8 of the Auditors' report:**

**Basis for Qualified Opinion:**

As detailed in Note 39 to the financial statements, the company's assets include amounts aggregating INR 7.91 Million as at March 31, 2017 and income and expenses include amounts aggregating INR 120.08 Million and INR 114.61 Million respectively for the year ended on that date, in respect of which we were unable to obtain sufficient appropriate audit evidence due to the reasons mentioned in the aforesaid note. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the existence, completeness, carrying value and classification of these amounts and the consequential impact, if any, on the accompanying financial statements.

**Note No 39 is reproduced as under:**

The company is having one of its divisions at Sirohi district, Rajasthan. This division was in trading business of automobile parts and tyres and oil and lubricants. During the last week of July 2017, this division had faced unexpected floods and all the documents and records pertaining to that division got destroyed in floods and the Company was unable to provide relevant records to the statutory auditors of the Company. The aforesaid division had assets and liabilities aggregating INR 16.86 Million and INR 1.19 Million respectively as at 31 March 2017 and the statement of Profit and Loss includes income and expenses aggregating INR 120.27 Million and INR 122.60 Million respectively for the year ended on that date.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

**Paragraph 12 (i) (iv) of Report on other legal and regulatory requirements:**

The company has provided disclosures in Note 34 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the bank of accounts maintained by the company. However, owing to the nature of records of the company and in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, permitted/ non-permitted payments and amount deposited in banks.

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2017:**

**Paragraph (iii) of Annexure A of the report:**

The company has granted interest free unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013; and with respect to the same:

- We report that the company has granted interest free unsecured loans to three companies, amounting to INR 108.46 Million (as at March 31, 2017 INR Nil) in respect of which adequate explanation has not been provided to us of any benefit accruing to the company for giving such a loan. In the absence of necessary board resolution and other relevant records, we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the company
- The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular.

**Paragraph (iv) of the report:**

In our opinion, the company has not complied with the provisions of section 185 of the Act in respect of the loans given, the details of the same are as follows:

| Party  | Maximum amount outstanding during the year (INR Million) | Amount outstanding as at March 31, 2017 (INR Million) | Remarks, if any   |
|--|--|---|---|
| Chartered Auto Component Private Limited [*] | 2.1  | Nil   | The company has given loan and the same has been received back during the year. |
| Chartered Autozone Private Limited [*]       | 10.75  | Nil   |   |
| Chartered Bike Private Limited               | 13.13  | Nil   |   |
| Chartered Marbles Private Limited [*]        | 4  | Nil   |   |
| Sanyam Gandhi [#]                            | 12.69  | Nil   |   |

[\*] Common directorship of Mr. Pankaj Gandhi.

[#] Relative of director.

In our opinion, the company has not complied with the provisions of section 186 of the Act. The details of non-compliances are as under-

| Particulars  | Name of the company                      | Amount involved (INR Million) | Balance as at March 31, 2017 (INR Million) |
|--|--|-------------------------------|--|
| Interest free loan given and non-maintenance of register | Chartered Auto Component Private Limited | 21.38                         | Nil  |
|  | Chartered Autozone Private Limited [*]   | 54.75                         | Nil  |
|  | Chartered Bus Private Limited            | 33.55                         | Nil  |
|  | Chartered Bike Private Limited           | 32.33                         | Nil  |
|  | Chartered Marbles Private Limited [*]    | 2.85                          | Nil  |
|  | Sanyam Gandhi                            | 12.69                         | Nil  |

**Paragraph (vii) of Annexure-A of the report:**

- Undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.
- The dues outstanding in respect of income-tax, Sales-tax, Service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

| Name of the Statute  | Nature of dues   | Amount (INR Million) | Amount paid under protest (INR Million) | Period to which amount relates | Forum where dispute is pending       |
|----------------------|--|----------------------|---|--------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Additional tax liability arising on account of disallowances and additions to taxable income including interest and penalty, if any. | 0.7                  | 0.11                                    | 2013-14                        | Commissioner of Income-tax (Appeals) |

**Note : 54 - Details of material adjustments and regrouping / reclassification made to the audited financial statements: - Continued**

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year**

**ended March 31, 2017:**

**Basis for Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2017:

As detailed in Note 39 to the financial statements, the company did not have sufficient and appropriate audit evidence with respect to revenue, inventory and operating expenses and related assets and liabilities. In absence of sufficient and appropriate audit evidence, we are unable to comment on the design and operating effectiveness of internal controls related to the aforesaid processes, potential misstatement and resultant impact on the profit/ loss and the reserves and surplus as at and for the year ended 31st March, 2017

A "material weakness" is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion:**

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has, in all material respects adequate IFCoFR and such IFCoFR were operating effectively as at 31st March, 2017, based on internal control financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company, as at and for the year ended 31st March, 2017, and this material weaknesses have affected our opinion on the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.

Note no. 39 is mentioned above in this note.

**The accompanying summary of significant accounting policies and notes to Consolidated summary statement (Annexure-5A) are an integral part of this statement**

As per our report of even date

For Mukesh M. Shah & Co.,  
Chartered Accountants  
Firm Registration Number: 106625W

For and on behalf of the Board

Managing Director

Karnik K. Shah

Partner

Membership Number: 129675

Ahmedabad, Dated September 22,2018

Chief Financial Officer

Company Secretary

Director

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 1B - Restated Consolidated IGAAP Summary Statement of assets and liabilities as at 31 March 2015 and 2014**

|  | Note<br>No. of<br>Annexure 5B | As at<br>31-Mar-15<br>INR Million | As at<br>31-Mar-14<br>INR Million |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| <b>Equity and liabilities</b>  |                               |                                   |                                   |
| <b>Shareholders' funds</b>   |                               |                                   |                                   |
| Share capital  | 2                             | 69.90                             | 69.90                             |
| Reserves and surplus   | 3                             | 91.92                             | 23.71                             |
| Minority Interest  |                               | 0.13                              | 0.10                              |
|  |                               | <b>161.95</b>                     | <b>93.71</b>                      |
| <b>Non-current liabilities</b>   |                               |                                   |                                   |
| Long-term borrowings   | 4                             | 308.90                            | 197.08                            |
| Long-term provisions   | 5                             | 2.91                              | 0.90                              |
|  |                               | <b>311.81</b>                     | <b>197.98</b>                     |
| <b>Current liabilities</b>   |                               |                                   |                                   |
| Short-term borrowings  | 4                             | 7.99                              | 6.05                              |
| Trade payables   | 6                             |                                   |                                   |
| - total outstanding dues to micro and small enterprises                      |                               | -                                 | -                                 |
| - total outstanding dues to creditors other than micro and small enterprises |                               | 14.71                             | 22.73                             |
| Other current liabilities  | 7                             | 185.22                            | 142.53                            |
| Short-term provisions  | 8                             | 4.34                              | 1.88                              |
|  |                               | <b>212.26</b>                     | <b>173.19</b>                     |
| <b>Total</b>   |                               | <b>686.02</b>                     | <b>464.88</b>                     |
| <b>Assets</b>  |                               |                                   |                                   |
| <b>Non-current assets</b>  |                               |                                   |                                   |
| Property, plant and equipment  | 9                             | 378.17                            | 248.86                            |
| Capital work-in-progress   | 9                             | 16.95                             | 4.06                              |
| Goodwill   | 9                             | 9.41                              | 9.59                              |
| Non-current investments  | 10                            | 72.39                             | 14.12                             |
| Deferred tax assets  | 11                            | 11.84                             | 10.05                             |
| Long-term loans and advances   | 12                            | 47.42                             | 9.24                              |
|  |                               | <b>536.18</b>                     | <b>295.92</b>                     |
| <b>Current assets</b>  |                               |                                   |                                   |
| Inventories  | 13                            | 17.15                             | 19.52                             |
| Trade receivables  | 14                            | 68.83                             | 74.55                             |
| Cash and bank balances   | 15                            | 19.90                             | 42.03                             |
| Short-term loans and advances  | 12                            | 29.04                             | 22.08                             |
| Other current assets   | 16                            | 14.92                             | 10.78                             |
|  |                               | <b>149.84</b>                     | <b>168.96</b>                     |
| <b>Total</b>   |                               | <b>686.02</b>                     | <b>464.88</b>                     |

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5B ) are an integral part of this statement

As per our report of even date

**For Mukesh M Shah & Co.**

Chartered Accountants

Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**

**Membership No : 129675**

Partner

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 22/09/2018

**Place :** Ahmedabad

**Date :** 22/09/2018

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 2B - Restated Consolidated IGAAP Summary Statement of profit and loss for the year ended 31 March 2015 and 2014**

|   | <b>Notes<br/>No. of<br/>Annexure 5B</b> | <b>Year ended<br/>31-Mar-15<br/>INR Million</b> | <b>Year ended<br/>31-Mar-14<br/>INR Million</b> |
|---|---|---|---|
| <b>Revenue</b>  |   |   |   |
| Revenue from operations                                     | 17                                      | 1,515.97  | 1,078.86  |
| Other income  | 18                                      | 10.68   | 9.30  |
| <b>Total revenue</b>  |   | <b>1,526.65</b>                                 | <b>1,088.16</b>                                 |
| <b>Expenses</b>   |   |   |   |
| Purchases of traded goods                                   | 19                                      | 167.82  | 177.27  |
| Changes in inventories of traded goods                      | 20                                      | 2.37  | (6.19)  |
| Operating expenses  | 21                                      | 827.53  | 560.55  |
| Employee benefit expenses                                   | 22                                      | 181.98  | 122.35  |
| Finance costs   | 23                                      | 43.47   | 31.08   |
| Depreciation, Impairment and amortisation                   | 24                                      | 138.33  | 102.73  |
| Other expenses  | 25                                      | 67.73   | 57.07   |
| <b>Total expenses</b>                                       |   | <b>1,429.23</b>                                 | <b>1,044.86</b>                                 |
| <b>Profit before tax</b>                                    |   | <b>97.42</b>                                    | <b>43.30</b>                                    |
| <b>Tax expense</b>  |   |   |   |
| Current tax   |   | 32.57   | 19.07   |
| Deferred tax  | 11                                      | (1.79)  | (2.59)  |
| (Excess)/short provision relating to earlier years          |   | 0.02  | -   |
| MAT Credit  |   | (1.79)  | -   |
| <b>Net profit</b>   |   | <b>68.41</b>                                    | <b>26.82</b>                                    |
| Share Minority Interest                                     |   | (0.03)  | (0.01)  |
| <b>Net profit</b>   |   | <b>68.38</b>                                    | <b>26.81</b>                                    |
| <b>Earning per equity share (face value of INR 10 each)</b> |   |   |   |
| Basic and diluted   | 29                                      | 2.44  | 0.96  |

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5B) are an integral part of this statement  
As per our report of even date

**For Mukesh M Shah & Co.**

Chartered Accountants  
Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**

**Membership No : 129675**

Partner

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 22/09/2018

**Place :** Ahmedabad

**Date :** 22/09/2018

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure 4B - Restated Consolidated IGAAP Statement of Cash Flow for the year ended March 31, 2015 and 2014**

| Particulars  | Year ended<br>31-Mar-15<br>INR Million | Year ended<br>31-Mar-14<br>INR Million |
|--|--|--|
| <b>A] Cash flows from operating activities</b>   |  |  |
| <b>Profit before tax</b>   | 97.42                                  | 43.30                                  |
| <b>Adjustments for :</b>   |  |  |
| Depreciation expense   | 138.33                                 | 102.73                                 |
| Finance cost   | 43.47                                  | 31.08                                  |
| Profit on sale of current investments  | (4.50)                                 | (0.05)                                 |
| Profit on sale of property, plant and equipment (net)  | (1.43)                                 | 0.06                                   |
| Interest   | (1.24)                                 | (1.35)                                 |
| Provision for Employee benefit   | 2.10                                   | 1.04                                   |
| Other  | -                                      | (0.01)                                 |
| <b>Operating profit before working capital changes</b>   | <b>274.15</b>                          | <b>176.80</b>                          |
| <b>Adjustments for :</b>   |  |  |
| Increase/ (decrease) in trade payables   | (8.02)                                 | 9.23                                   |
| Increase in other liabilities and provisions   | 8.38                                   | 2.52                                   |
| Increase /(Decrease) in Short term Borrowings  | 1.94                                   | 0.98                                   |
| (Increase) / decrease in loans and advances  | (45.14)                                | (6.04)                                 |
| (Increase) / decrease in inventories   | 2.37                                   | (6.19)                                 |
| (Increase) in trade receivables  | 5.72                                   | 9.86                                   |
| (Increase) / decrease in other current and non current assets  | (2.35)                                 | (10.63)                                |
| <b>Cash generated from operating activities</b>  | <b>(37.10)</b>                         | <b>(0.27)</b>                          |
| Income taxes paid (net)  | 30.23                                  | 17.71                                  |
| <b>Net cash generated from operating activities</b>  | <b>206.82</b>                          | <b>158.82</b>                          |
| <b>B] Cash flows from investing activities</b>   |  |  |
| Purchase of property, plant and equipment<br>(including capital work in progress and capital advances) | (287.68)                               | (151.24)                               |
| Proceeds from sale of property, plant and equipment  | 8.58                                   | 5.43                                   |
| Purchase of Non-current investments  | (70.91)                                | (13.13)                                |
| Proceeds from sale of non-current investments  | 17.15                                  | 0.63                                   |
| Interest received  | 1.24                                   | 1.35                                   |
| Investment/(Maturity) in Fixed Deposit   | (1.01)                                 | (1.65)                                 |
| <b>Net cash used in investing activities</b>   | <b>(332.63)</b>                        | <b>(158.61)</b>                        |
| <b>C] Cash flows from financing activities</b>   |  |  |
| Finance Cost   | (43.47)                                | (31.08)                                |
| Proceeds from Long Term borrowings   | 436.40                                 | 278.70                                 |
| Repayment of Long Term Borrowings  | (290.26)                               | (212.28)                               |
| Others   | -                                      | 0.10                                   |
| <b>Net cash generated from financing activities</b>  | <b>102.67</b>                          | <b>35.44</b>                           |
| <b>Net increase in cash and cash equivalents (A+B +C)</b>  | <b>(23.14)</b>                         | <b>35.65</b>                           |
| Cash and cash equivalents as at the beginning of the period  | 38.26                                  | 2.61                                   |
| <b>Cash and cash equivalents as at the end of the period</b>   | <b>15.12</b>                           | <b>38.26</b>                           |

**Notes:**

**1 Cash and cash equivalents as at the year end constitutes**

|   |              |              |
|---|--------------|--------------|
| Cash on hand                            | 7.90         | 5.36         |
| Balances with banks in current accounts | 7.22         | 32.90        |
|   | <b>15.12</b> | <b>38.26</b> |

2 All figures in brackets are outflows.

3 Previous year's figures have been regrouped wherever necessary.

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5B ) are an integral part of this statement

As per our report of even date

**For Mukesh M Shah & Co.**

Chartered Accountants

Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**

**Membership No : 129675**

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad

**Date :** 22/09/2018

|   | As at<br>Tuesday, March 31, 2015 |               | As at<br>Monday, March 31, 2014 |               |
|---|----------------------------------|---------------|---------------------------------|---------------|
|   | Number                           | INR Million   | Number                          | INR Million   |
| <b>2 Share capital</b>  |                                  |               |                                 |               |
| <b>Authorised share capital</b>   |                                  |               |                                 |               |
| Equity shares of INR10 each   | 10,000,000                       | 100.00        | 10,000,000                      | 100.00        |
|   | <b>10,000,000</b>                | <b>100.00</b> | <b>10,000,000</b>               | <b>100.00</b> |
| <b>Issued, subscribed and fully paid up</b>   |                                  |               |                                 |               |
| Equity shares of INR 10 each  | 6,989,600                        | 69.90         | 6,989,600                       | 69.90         |
|   | <b>6,989,600</b>                 | <b>69.90</b>  | <b>6,989,600</b>                | <b>69.90</b>  |
| <b>a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period</b> |                                  |               |                                 |               |
| <b>Balance at the beginning of the year</b>   | 6,989,600                        | 69.90         | 436,850                         | 4.37          |
| Add : Issued during the year  | -                                | -             | 6,552,750                       | 65.53         |
| <b>Balance at the end of the year</b>   | <b>6,989,600</b>                 | <b>69.90</b>  | <b>6,989,600</b>                | <b>69.90</b>  |

**b) Shareholders holding more than 5% of the shares of the Company**

|                              | Number           | % of holding | Number           | % of holding |
|------------------------------|------------------|--------------|------------------|--------------|
| Equity shares of INR 10 each |                  |              |                  |              |
| Pankaj Gandhi                | 3,549,600        | 51%          | 3,549,600        | 51%          |
| Alka Gandhi                  | 3,440,000        | 49%          | 3,440,000        | 49%          |
|                              | <b>6,989,600</b> | <b>100%</b>  | <b>6,989,600</b> | <b>100%</b>  |

**c) Rights, preferences and restrictions**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except interim dividend. 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date.**

| Year ended    | Face value<br>(INR) | No. of shares |
|---------------|---------------------|---------------|
| 31 March 2014 | 10                  | 6,552,750     |

**3 Reserves and surplus**

**Surplus in the statement of profit and loss**

|   | As at<br>31 March 2015<br>INR Million | As at<br>31 March 2014<br>INR Million |
|---|---------------------------------------|---------------------------------------|
| Balance at the beginning of the year                | 23.71                                 | 27.16                                 |
| Add : Transferred from statement of profit and loss | 68.38                                 | 26.81                                 |
| Less: Utilized during the year                      | 0.17                                  | 30.26                                 |
| Balance at the end of the year                      | <b>91.92</b>                          | <b>23.71</b>                          |

**Securities Premium**

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Opening Balance                      | -            | 35.27        |
| Add: Addition during the year        | -            | -            |
| Less: Utilized during the year       | -            | 35.27        |
| <b>Total of Reserves and surplus</b> | <b>91.92</b> | <b>23.71</b> |

During the year ended 31 March 2014, the company has utilised INR 30.26 Million from "Surplus in statement of Profit and Loss" and INR 35.27 Million from "Securities Premium" towards issuance of Bonus shares.

|  | As at<br>Tuesday, March 31, 2015 |             | As at<br>Monday, March 31, 2014 |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | INR Million                      |             | INR Million                     |             |
|  | Long term                        | Short term  | Long term                       | Short term  |
| <b>4 Borrowings</b>  |                                  |             |                                 |             |
| <b>Secured</b>   |                                  |             |                                 |             |
| Term loans [Refer note (a) to (d) below]                   |                                  |             |                                 |             |
| From banks   | 411.13                           |             | 247.98                          |             |
| From Non Banking Financial Companies (NBFCs)               | 24.18                            |             | 41.20                           |             |
| Loans repayable on demand                                  |                                  |             |                                 |             |
| Working capital loan from banks                            |                                  | 7.99        |                                 | 6.05        |
| <b>Unsecured</b>   |                                  |             |                                 |             |
| From related parties                                       |                                  |             |                                 |             |
| From banks   |                                  |             |                                 |             |
|  | <b>435.31</b>                    | <b>7.99</b> | <b>289.18</b>                   | <b>6.05</b> |
| Less : Current maturities of long-term debt (refer note 7) | (126.41)                         |             | (92.10)                         |             |
| <b>Total borrowings</b>                                    | <b>308.90</b>                    | <b>7.99</b> | <b>197.08</b>                   | <b>6.05</b> |

**(a) Details of guarantee for each type of borrowings**

**Guaranteed by directors**

**Secured**

|                                 |        |      |        |      |
|---------------------------------|--------|------|--------|------|
| Term loans                      |        |      |        |      |
| From banks                      | 411.13 |      | 247.98 |      |
| From NBFCs                      | 24.18  |      | 41.20  |      |
| Loans repayable on demand       |        |      |        |      |
| Working capital loan from banks |        | 7.99 |        | 6.05 |

**(b) Nature of security**

**Term loans from Banks are secured by:**

First charge by way of hypothecation of buses and other vehicles of the Company.

**Term loans from NBFCs are secured by:**

First charge by way of hypothecation of buses and other vehicles of the Company.

**Working capital loan from banks are secured by:**

Working capital loans which are repayable on demand, are secured by hypothecation of inventories of all types, book debts and other current assets (including Fixed Deposits) and on hypothecation of vehicles and on all the present and future current assets of the company. Further personal guarantee of Mr. Pankaj Gandhi and Mrs. Alka Gandhi, directors of the company has been provided to working capital lenders.

**(c) Terms of repayment for secured borrowings**

Term Loan is repayable in 36 to 60 equally monthly instalments.

**(d) In the event of pre-closure of loan, prepayment penalty will be levied by the lenders as per the charges prescribed by the respective lenders depending upon the period of pre-closure of the loan.**

In the event of any default committed, the lender shall have right to demand the repayment of the entire amount of principal and interest thereon remaining due and outstanding which shall become payable forthwith.

**(e) Unsecured loans taken from related parties are taken @ 12% p.a. [P.Y. Nil] and loans are repayable on demand.**

**5 Provisions:**

Provision for Employee Benefits  
Total

| INR Million |                        |                        |
|-------------|------------------------|------------------------|
|             | As at<br>31 March 2015 | As at<br>31 March 2014 |
|             | 2.91                   | 0.90                   |
|             | 2.91                   | 0.90                   |

**Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits":  
Defined benefit plan and long term employment benefit**

**A General description:**

**Gratuity [Defined benefit plan]:**

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service.

**B Change in the present value of the defined benefit obligation:**

Opening defined benefit obligation  
Interest cost  
Current service cost  
Benefits paid  
Actuarial [gain]/ losses on obligation  
Closing defined benefit obligation

**C Change in the fair value of plan assets:**

Opening fair value of plan assets  
Expected return on plan assets  
Contributions by employer  
Benefits paid  
Actuarial gains/[losses]  
Closing fair value of plan assets  
Total actuarial gain [loss] to be recognized

**D Actual return on plan assets:**

Expected return on plan assets  
Actuarial gain/[loss] on plan assets  
Actual return on plan assets

**E Amount recognised in the balance sheet:**

[Assets]/Liability at the end of the year  
Fair value of plan Assets at the end of the year  
Difference  
Unrecognised past Service cost  
[Assets]/Liability recognised in the Balance Sheet

**F [Income]/Expenses recognised in the Statement of Profit and Loss :**

Current service cost  
Interest cost on benefit obligation  
Expected return on plan assets  
Net actuarial [gain]/loss in the period  
Net [benefit]/expense

**G Movement in net liability recognised in Balance Sheet:**

Opening net liability  
Expenses as above [P & L Charge]  
Employer's contribution  
[Assets]/Liability recognised in the Balance Sheet

**H Principal actuarial assumptions as at Balance sheet date:**

Discount rate  
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]  
Expected rate of return on plan Assets  
[The expected rate of return assumed by the Insurance company is generally based on their Investment patterns as stipulated by the Government of India]  
Annual increase in salary cost  
[The estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]

**I The categories of plan assets as a % of total plan assets are:**

Insurance plan

| As at 31 <sup>st</sup> March |  |  |
|------------------------------|--|--|
|                              | 2015   | 2014   |
| <b>Gratuity</b>              |  | <b>Gratuity</b>                                      |
|                              | 1.04   |  |
|                              | 0.09   |  |
|                              | 1.46   | 1.04   |
|                              | -  | -  |
|                              | 0.55   |  |
|                              | 3.14   | 1.04   |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | 3.14   | 1.04   |
|                              | -  | -  |
|                              | -  | -  |
|                              | -  | -  |
|                              | 1.46   | 1.04   |
|                              | 0.09   | -  |
|                              | -  | -  |
|                              | 0.55   | -  |
|                              | 2.10   | 1.04   |
|                              | 1.04   | -  |
|                              | 2.10   | 1.04   |
|                              | -  | -  |
|                              | 3.14   | 1.04   |
|                              | 7.80%  | 8.90%  |
|                              | -  | -  |
|                              | 8.00% p.a for next 7 years and 5.00% p.a. thereafter | 8.00% p.a for next 8 years and 5.00% p.a. thereafter |
|                              | -  | -  |

**J Amount recognised in current and previous four years:**

**Gratuity:**

|  |  | As at |      |
|--|--|-------|------|
|  |  | 2016  | 2017 |
| Defined benefit obligation                 |  | 1.04  | 3.14 |
| Fair value of Plan Assets                  |  | -     | -    |
| Deficit / [Surplus] in the plan            |  | 1.04  | 3.14 |
| Actuarial Loss / [Gain] on Plan Obligation |  | -     | 0.55 |
| Actuarial Loss / [Gain] on Plan assets     |  | -     | -    |

The expected contributions for Defined benefit plan for the next financial year will be in line with FY 2015-16.

**6 Trade payables**

|  | As at<br>31 March 2015 | As at<br>31 March 2014 |
|--|------------------------|------------------------|
|  | INR Million            | INR Million            |
| Dues of micro and small enterprises                      | -                      | -                      |
| Dues of creditors other than micro and small enterprises | 14.71                  | 22.73                  |
|  | <b>14.71</b>           | <b>22.73</b>           |

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the statutory auditors of the Company. There is no interest paid or payable during the year.

**7 Other current liabilities**

|   | As at<br>31 March 2015 | As at<br>31 March 2014 |
|---|------------------------|------------------------|
|   | INR Million            | INR Million            |
| Current maturities of long term debt (refer note 5) | 126.41                 | 92.10                  |
| Statutory dues payable                              | 13.56                  | 3.47                   |
| Book Overdraft                                      | 33.85                  | 44.45                  |
| Advances received from customers                    | 1.35                   | 0.84                   |
| Employee related payables                           | 9.83                   | 0.78                   |
| Security deposits                                   | 0.19                   | 0.67                   |
| Other payables                                      | 0.03                   | 0.22                   |
|   | <b>185.22</b>          | <b>142.53</b>          |

**8 Provisions**

|  | As at<br>31 March 2015 | As at<br>31 March 2014 |
|--|------------------------|------------------------|
| Provision for taxation (net of advance tax INR 55.92 Million {FY 2013-14 - INR 28.54 Million}) | 4.11                   | 1.74                   |
| Provision for employee benefit   | 0.23                   | 0.14                   |
|  | <b>4.34</b>            | <b>1.88</b>            |

**10 Non-current investments**

(Valued at cost, each fully paid up and unquoted, unless otherwise stated)

**Non-Trade investments**

**Trade Investment**

**Investments in Equity Instruments (Quoted)**

|  | Number    | As at<br>31 March 2015 | Number | As at<br>31 March 2014 |
|--|-----------|------------------------|--------|------------------------|
|  |           | INR Million            |        | INR Million            |
| Equity shares of Chartered Logistics Ltd | 3,322,900 | 37.79                  |        |                        |

**Investments in Mutual Funds**

|   |         |      |         |      |
|---|---------|------|---------|------|
| Mutual funds quoted trade                                       |         |      |         |      |
| ING Dividend Yield Fund   | -       | -    | 105,147 | 2.60 |
| Aditya Birla Sunlife Banking and Fin. Ser. Fund - Growth        | 315,006 | 4.40 | 60,428  | 0.60 |
| Aditya Birla Sunlife MNC Fund - Growth                          | 4,500   | 2.00 | 9,118   | 2.40 |
| Aditya Birla Sun Life Medium Term Plan - Growth                 | 287,220 | 4.47 | -       | -    |
| Axis Treasury Advantage Fund - Growth                           | 69      | 0.10 | -       | -    |
| L&T Infrastructure Fund - Growth                                | 866,761 | 8.40 | -       | -    |
| Reliance Close Ended Equity Fund II - Series A - Growth         | 350,000 | 3.50 | -       | -    |
| BNP Paribas Midcap Fund - Growth                                | 151,582 | 2.80 | 31,071  | 0.40 |
| HDFC Midcap Opportunity Fund - Growth                           | 100,014 | 2.84 | 131,742 | 2.40 |
| ICICI Prudential Focused Bluechip Equity Fund - Growth          | 151,582 | 3.80 | 29,935  | 2.40 |
| ICICI Prudential Multiple Yield Fund Series 5 - Plan C - Growth | 180,000 | 1.80 | 180,000 | -    |
| IDFC Multi Cap Fund - Regular Plan - Growth                     | -       | -    | 61,756  | 2.40 |
| <b>Other investments</b>  |         |      |         |      |
| HDFC AMC Real Estate Portfolio (Quoted)                         | -       | 0.44 | -       | 0.80 |

**Investments in Equity Instruments (Unquoted)**

|  |      |              |       |              |
|--|------|--------------|-------|--------------|
|  | 5000 | 0.05         | 10000 | 0.12         |
|  |      | <b>72.39</b> |       | <b>14.12</b> |

**Aggregate amount of :**

|  |  |       |  |       |
|--|--|-------|--|-------|
| Unquoted investments                             |  | 0.05  |  | 0.12  |
| Provision for diminution in value of investments |  | -     |  | -     |
| Market value of quoted investments               |  | 71.91 |  | 13.20 |

**11 Deferred tax assets**

**Particulars**

|                      | Depreciation | Others      | Total        |
|----------------------|--------------|-------------|--------------|
| As at April 1, 2013  | 7.46         | -           | 7.46         |
| Charge for the year  | 2.59         | -           | 2.59         |
| As at March 31, 2014 | 10.05        | -           | 10.05        |
| Charge for the year  | 1.61         | 0.18        | 1.79         |
| As at March 31, 2015 | <b>11.66</b> | <b>0.18</b> | <b>11.84</b> |

The company has recognised net deferred tax asset of INR 2.59 Million in FY 2013-14 and INR 1.79 Million in FY 2014-15.

CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  
Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014

9 Property, plant and equipment

(Amount in INR Million)

| Particulars                     | Building | Tubewell | Vehicles | Computer | Machinery and Tools | Land | Furniture and fixtures | Total   | Goodwill |
|---------------------------------|----------|----------|----------|----------|---------------------|------|------------------------|---------|----------|
| <b>Gross block</b>              |          |          |          |          |                     |      |                        |         |          |
| Balance as at 01 April 2013     | 3.60     | 0.24     | 407.34   | 5.31     | 5.97                | -    | 1.06                   | 423.52  | 8.70     |
| Additions                       | 1.57     | -        | 139.72   | 2.26     | 3.46                | -    | 0.17                   | 147.18  | 0.89     |
| Disposals                       | -        | -        | (1.88)   | -        | -                   | -    | -                      | (1.88)  | -        |
| Balance as at 31 March 2014     | 5.17     | 0.24     | 545.18   | 7.57     | 9.43                | -    | 1.23                   | 568.82  | 9.59     |
| Additions                       | -        | -        | 263.91   | 2.18     | 3.69                | 0.66 | 0.29                   | 270.73  | -        |
| Disposals                       | -        | -        | (22.37)  | -        | -                   | -    | -                      | (22.37) | (0.18)   |
| Balance as at 31 March 2015     | 5.17     | 0.24     | 786.72   | 9.75     | 13.12               | 0.66 | 1.52                   | 817.18  | 9.41     |
| <b>Accumulated depreciation</b> |          |          |          |          |                     |      |                        |         |          |
| Balance as at 01 April 2013     | 0.17     | 0.02     | 214.84   | 1.66     | 1.35                | -    | 0.10                   | 218.14  | -        |
| Depreciation charge             | 0.20     | 0.01     | 100.22   | 1.31     | 0.90                | -    | 0.09                   | 102.73  | -        |
| Reversal on disposal of assets  | -        | -        | (0.91)   | -        | -                   | -    | -                      | (0.91)  | -        |
| Balance as at 31 March 2014     | 0.37     | 0.03     | 314.15   | 2.97     | 2.25                | -    | 0.19                   | 319.96  | -        |
| Depreciation charge             | 0.28     | 0.14     | 132.35   | 3.77     | 1.60                | -    | 0.19                   | 138.33  | -        |
| Reversal on disposal of assets  | -        | -        | (19.28)  | -        | -                   | -    | -                      | (19.28) | -        |
| Balance as at 31 March 2015     | 0.65     | 0.17     | 427.22   | 6.74     | 3.85                | -    | 0.38                   | 439.01  | -        |
| <b>Net block</b>                |          |          |          |          |                     |      |                        |         |          |
| Balance as at 31 March 2014     | 4.80     | 0.21     | 231.03   | 4.60     | 7.18                | -    | 1.04                   | 248.86  | 9.59     |
| Balance as at 31 March 2015     | 4.52     | 0.07     | 359.50   | 3.01     | 9.27                | -    | 1.14                   | 378.17  | 9.41     |

Capital Work in progress

Balance as at 31 March 2014

Balance as at 31 March 2015

4.06  
16.95

| 12 Loans and advances                                | As at 31 March 2015 |              | As at 31 March 2014 |              |
|--|---------------------|--------------|---------------------|--------------|
|  | INR Million         |              | INR Million         |              |
|  | Long Term           | Short Term   | Long Term           | Short Term   |
| (Unsecured, considered good unless otherwise stated) |                     |              |                     |              |
| Security deposits                                    | 47.42               | -            | 9.24                | -            |
| Balances with government authorities                 | -                   | 5.42         | -                   | 6.60         |
| Advance to employees                                 | -                   | 6.62         | -                   | 3.08         |
| Advance to suppliers                                 | -                   | 15.05        | -                   | 0.11         |
| Other Advances                                       | -                   | 0.15         | -                   | 12.29        |
| MAT Credit entitlement                               | -                   | 1.80         | -                   | -            |
|  | <b>47.42</b>        | <b>29.04</b> | <b>9.24</b>         | <b>22.08</b> |

| 13 Inventories (valued at lower of cost or net realisable value) | As at         |               |
|--|---------------|---------------|
|  | 31 March 2015 | 31 March 2014 |
| Traded goods   | INR Million   |               |
|  | 17.15         | 19.52         |
|  | <b>17.15</b>  | <b>19.52</b>  |

| 14 Trade receivables   | As at         |               |
|--|---------------|---------------|
|  | 31 March 2015 | 31 March 2014 |
| Outstanding for a period exceeding six months from the date they are due for payment | INR Million   |               |
| Unsecured, considered good   | 3.40          | 3.12          |
| Unsecured, considered doubtful   | -             | -             |
|  | 3.40          | 3.12          |
| Less: Provision for bad and doubtful debts   | -             | -             |
|  | 3.40          | 3.12          |
| <b>Other debts</b>   |               |               |
| Unsecured, considered good   | 65.43         | 71.43         |
|  | <b>68.83</b>  | <b>74.55</b>  |

| 15 Cash and bank balances               | As at         |               |
|---|---------------|---------------|
|   | 31 March 2015 | 31 March 2014 |
| Cash and cash equivalents               | INR Million   |               |
| Cash on hand                            | 7.90          | 5.36          |
| Balances with banks in current accounts | 7.22          | 32.90         |
|   | <b>15.12</b>  | <b>38.26</b>  |
| <b>Other bank balances *</b>            |               |               |
| Fixed Deposits with Banks               | 4.78          | 3.77          |
|   | <b>4.78</b>   | <b>3.77</b>   |
| <b>Total</b>                            | <b>19.90</b>  | <b>42.03</b>  |

\* Balances with bank held as Security against the borrowings / guarantees 4.78 3.77

| 16 Other current assets | As at         |               |
|-------------------------|---------------|---------------|
|                         | 31 March 2015 | 31 March 2014 |
| Prepaid Insurance       | 12.31         | 8.11          |
| Prepaid Tax             | 1.05          | -             |
| Accrued Income          | 0.04          | 1.74          |
| Advance to parties      | 0.02          | 0.01          |
| Prepaid Expense         | 0.14          | 0.10          |
| TDS Receivable          | 1.36          | 0.82          |
|                         | <b>14.92</b>  | <b>10.78</b>  |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**  
**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014**

|   | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|---|--|--|
| <b>17 Revenue from operations</b>                                 |  |  |
| A) Sale of products   |  |  |
| Sale of motor oils and lubricants, tyres and heavy vehicle spares | 183.54                                     | 182.07                                     |
| B) Sale of services   |  |  |
| Bus operations  | 1,275.99                                   | 823.87                                     |
| Taxi Services   | 42.23                                      | 68.76                                      |
| Car Services  | 14.21                                      | 4.16                                       |
|   | <b>1,515.97</b>                            | <b>1,078.86</b>                            |
| <b>18 Other income</b>  |  |  |
| Interest income   | 1.24                                       | 1.35                                       |
| Profit on sale of current investments                             | 4.50                                       | 0.05                                       |
| Miscellaneous income  | 4.94                                       | 7.90                                       |
|   | <b>10.68</b>                               | <b>9.30</b>                                |
| <b>19 Purchases of traded goods (including incidental costs)</b>  |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares         | 167.82                                     | 177.27                                     |
| Canteen purchase  |  |  |
|   | <b>167.82</b>                              | <b>177.27</b>                              |
| <b>20 Changes in inventories of traded goods</b>                  |  |  |
| Opening stock   |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares         | 19.52                                      | 13.33                                      |
|   | 19.52                                      | 13.33                                      |
| Closing stock   |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares         | 17.15                                      | 19.52                                      |
|   | 17.15                                      | 19.52                                      |
|   | <b>2.37</b>                                | <b>(6.19)</b>                              |
| <b>21 Operating expenses</b>                                      |  |  |
| Fuel expenses   | 600.96                                     | 413.22                                     |
| Vehicle running, repairs and maintenance                          | 124.94                                     | 83.30                                      |
| Vehicle taxes   | 37.60                                      | 14.05                                      |
| Tyre expenses   | 37.90                                      | 29.98                                      |
| Insurance   | 16.04                                      | 12.84                                      |
| Royalty   | 6.68                                       | 4.21                                       |
| Sub merchant charges  | 2.46                                       | 1.76                                       |
| Workshop expenses   | 0.95                                       | 1.19                                       |
|   | <b>827.53</b>                              | <b>560.55</b>                              |
| <b>22 Employee benefit expenses</b>                               |  |  |
| Salaries, wages and bonus   | 162.76                                     | 110.95                                     |
| Director Remuneration   | 4.50                                       | 4.20                                       |
| Contribution to provident and other defined contribution funds    | 8.87                                       | 2.70                                       |
| Staff welfare expenses  | 5.85                                       | 4.50                                       |
|   | <b>181.98</b>                              | <b>122.35</b>                              |
| <b>23 Finance costs</b>   |  |  |
| Interest on loans   | 41.67                                      | 29.70                                      |
| Other borrowing costs   | 1.80                                       | 1.38                                       |
|   | <b>43.47</b>                               | <b>31.08</b>                               |
| <b>24 Depreciation expense</b>                                    |  |  |
| Depreciation of property, plant and equipment (refer note 9)      | 138.33                                     | 102.73                                     |
|   | <b>138.33</b>                              | <b>102.73</b>                              |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014**

|   | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|---|--|--|
| <b>25 Other expenses</b>                      |  |  |
| Payments to auditors                          | 0.18                                       | 0.15                                       |
| Advertisement and business promotion expenses | 16.89                                      | 12.29                                      |
| Corporate Social Responsibility expenses      | 0.59                                       | 2.16                                       |
| Commission                                    | -  | 0.40                                       |
| Electricity                                   | 5.28                                       | 3.01                                       |
| Insurance expenses                            | 1.42                                       | 1.91                                       |
| Legal and professional                        | 2.84                                       | 2.50                                       |
| Loss on sale of Fixed Assets                  | 0.04                                       | 0.23                                       |
| Office expenses                               | 4.43                                       | 2.00                                       |
| Telephone and postage                         | 4.26                                       | 3.73                                       |
| Printing and stationery                       | 1.65                                       | 0.88                                       |
| Rates & Taxes                                 | 1.95                                       | 1.43                                       |
| Rent  | 10.74                                      | 8.26                                       |
| <b>Repairs and Maintenance</b>                |  |  |
| Computers                                     | 1.00                                       | 0.41                                       |
| Vehicles                                      | 6.13                                       | 8.61                                       |
| Building                                      | -  | -  |
| Others  | 0.26                                       | 0.57                                       |
| Security expenses                             | 1.86                                       | 1.14                                       |
| Software expenses                             | 0.20                                       | 0.09                                       |
| Freight outward                               | 1.58                                       | 1.24                                       |
| Transportation Expense                        | 0.04                                       | 0.30                                       |
| Travelling and conveyance                     | 3.12                                       | 2.28                                       |
| Miscellaneous expenses                        | 3.27                                       | 3.48                                       |
|   | <b>67.73</b>                               | <b>57.07</b>                               |

**Disclosure in respect of office premises taken on lease as required by Accounting Standard (AS) 19 'Leases'**

The Company has entered into cancellable operating lease for office premises. Tenure of leases generally vary between 11 months to five years. Terms of the lease include operating terms for renewal, terms of cancellation etc. The Company has given refundable interest free security deposits under the agreements.

|  | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|--|--|--|
| Operating lease payments recognised in the Statement of Profit and Loss  | 10.74                                      | 8.26                                       |
| <b>26 Tax Expenses:</b>  |  |  |
| <b>The major components of income tax expense are:</b>   |  |  |
| <b>A Statement of profit and loss:</b>   |  |  |
| <b>Profit or loss section:</b>   |  |  |
| Current income tax:  |  |  |
| Current income tax charge  | 32.57                                      | 19.07                                      |
| Deferred tax:  |  |  |
| Relating to origination and reversal of temporary differences [Refer Note-8]   | (1.78)                                     | (2.59)                                     |
| (Excess)/short provision relating to earlier years   | 0.02                                       | -  |
| Mat Credit   | (1.79)                                     | -  |
| <b>Tax expense reported in the statement of profit or loss</b>   | <b>29.02</b>                               | <b>16.48</b>                               |
| <b>B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>                    |  |  |
| Profit before tax  | 97.42                                      | 43.3                                       |
| Enacted Tax Rate in India (%)  | 32.45%                                     | 32.45%                                     |
| Expected Tax Expenses  | 31.61                                      | 14.05                                      |
| Adjustments for:   |  |  |
| Tax effect due to set off/carry forward of business losses/unabsorbed depreciation allowances/MAT Credit of current year | (0.46)                                     | 0.94                                       |
| Effect of additional deductions in taxable income  | (2.34)                                     | (0.13)                                     |
| Effect of differential tax rates [*]   | (0.15)                                     | 0.09                                       |
| Effect of non-deductible expenses  | 2.25                                       | 3.59                                       |
| Effect of lower tax rate on specified income   | 0.55                                       | 0.01                                       |
| Others   | 1.11                                       | 0.52                                       |
| Total  | 0.96                                       | 5.02                                       |
|  | <b>32.57</b>                               | <b>19.07</b>                               |

[\*] The tax rates applicable to the parent and subsidiaries vary from 19.05 % to 32.45% in accordance with the Income Tax Act, 1961. For the purpose of determining the taxable results of the subsidiaries for the year, the accounting results have been adjusted for tax purposes. Such adjustments include items relating to both income and expense, and are based on the current understanding of the existing tax laws and regulations and tax practices.

**27 Contingent liabilities:**

**(i) Claims against the Company not acknowledged as debts**

|                                 |      |   |
|---------------------------------|------|---|
| Income tax demands under appeal | 2.53 | - |
|---------------------------------|------|---|

**28 Expenditure in Foreign Currency**

|        |      |   |
|--------|------|---|
| Others | 0.62 | - |
|--------|------|---|

**29 Earnings per share**

|  | Year ended<br>31 March 2015 | Year ended<br>31 March 2014 |
|--|-----------------------------|-----------------------------|
| <b>Based on the basic and weighted average number of equity shares</b>       |                             |                             |
| Net Profit as per Statement of Profit and Loss to the shareholders of parent | INR Million 68.41           | 26.82                       |
| Weighted average number of shares outstanding                                | Numbers 28,026,710          | 28,026,710                  |
| Nominal value of shares  | INR 10.00                   | 10.00                       |
| Basic and diluted earnings per share   | INR 2.44                    | 0.96                        |

**[\*] Note:**

The company has issued Bonus shares during the year 2018-19 in the ratio of 3 Bonus Equity Shares for 1 Equity shares held on the record date. Accordingly, the company has allotted 2,10,37,110 Bonus Equity shares.

The Earning Per Share, as stated above, has been adjusted after giving effect of the total number of Bonus Shares issued by the company as mentioned above.

**30 Related party transactions**

Related party disclosures as required under Accounting standard 18. "Related party disclosures" are given below.

**(a) List of related parties**

| Relationship                       | Name of the Person / Company                  |
|------------------------------------|---|
| (a) Key Management Personnel (KMP) | Pankaj Gandhi<br>Alka Gandhi<br>Kinjal Gandhi |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014**

|   |   |
|---|---|
| (b) Subsidiaries  | Chartered Bus Private Limited [formerly known as Chartered Cabs Private Limited ]<br>Chartered Marbles Private Limited<br>Chartered Autozone Private Limited<br>Chartered Auto Components Private Limited   |
| (d) Enterprise over which Key Managerial Personnel exercise significant influence : | Raman Holding Private Limited<br>Chartered Greentech Private Limited<br>(Formerly known as Meri Suraksha Private Limited)<br>Chartered Nextgen Solutions Private Limited<br>(Formerly known as Traffilog India Private Limited)<br>Raj Trade Agency |

**(b) Disclosure of transactions between the Company and related parties and outstanding balances :**

|   | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|---|--|--|
| <b>Sales of Service</b>                     | -  | -  |
| Raman Holding Private Limited               | 3.78                                       | -  |
| <b>Purchases</b>                            | -  | -  |
| Chartered Nextgen Solutions Private Limited | -  | -  |
| Chartered Auto Components Private Limited   | -  | -  |
| Chartered Autozone Private Limited          | -  | -  |
| Raj Trade Agency                            | 0.08                                       | 0.48                                       |
|   | -  | -  |
| <b>Directors' remuneration</b>              |  |  |
| Pankaj Gandhi                               | 2.40                                       | 2.40                                       |
| Alka Gandhi                                 | 1.20                                       | 1.20                                       |
| Kinjal Gandhi                               | 0.90                                       | 0.60                                       |
| <b>Rent expenses</b>                        |  |  |
| Pankaj Gandhi                               | 3.88                                       | 2.68                                       |
| Alka Gandhi                                 | 1.04                                       | 0.86                                       |
| <b>Rent income</b>                          |  |  |
| Raman Holding Private Limited               | -  | 0.08                                       |
| <b>Loans taken</b>                          |  |  |
| Pankaj Gandhi                               | 34.91                                      | 62.35                                      |
| Alka Gandhi                                 | 84.77                                      | 8.44                                       |
| Kinjal Gandhi                               | 2.13                                       | -  |
| Raman Holding Private Limited               | 35.17                                      | 1.04                                       |
| <b>Loans repaid</b>                         |  |  |
| Pankaj Gandhi                               | 34.91                                      | 62.45                                      |
| Alka Gandhi                                 | 84.76                                      | 8.44                                       |
| Kinjal Gandhi                               | 2.13                                       | -  |
| Raman Holding Private Limited               | 35.17                                      | 1.04                                       |
| <b>Loans given</b>                          |  |  |
| Raman Holding Private Limited               | -  | 0.13                                       |
| Raj Trade Agency                            | -  | 2.55                                       |
| Pankaj Gandhi                               | -  | 1.66                                       |
| Alka Gandhi                                 | -  | 0.50                                       |
| <b>Loans received back</b>                  |  |  |
| Raman Holding Private Limited               | -  | 0.13                                       |
| Raj Trade Agency                            | -  | 2.55                                       |
| Pankaj Gandhi                               | -  | 1.66                                       |
| Alka Gandhi                                 | -  | 0.50                                       |
| <b>Interest Expense</b>                     |  |  |
| Pankaj Gandhi                               | 0.45                                       | -  |
| Alka Gandhi                                 | 1.70                                       | -  |
| Kinjal Gandhi                               | 0.12                                       | -  |

**(c) Disclosure of balances outstanding**

|                                 | As at<br>31 March 2015<br>INR Million | As at<br>31 March 2014<br>INR Million |
|---------------------------------|---------------------------------------|---------------------------------------|
| <b>Loan outstanding payable</b> |                                       |                                       |
| Alka Gandhi                     | 0.02                                  | -                                     |

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014**

**Note 31 : Segment Information**

Business Segments:

For management purposes, the Group is organised into business units based on its services rendered and products sold. The leadership team, i.e. Directors of the company, monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Group has two reportable segments, as follows :

**Bus Operation**

It represents business of passenger transportation services via buses in India.

**Trading of Motor oils, lubricants, tyres and heavy vehicle spares**

It represents trading business of Motor Oils and Lubricant , tyres and heavy spares in India.

**Other Activities**

It represents business of passenger transportation services via Taxies , Car care services , Extracting Marbles from mines in India.

INR in Million

| Particular   | Bus Operation   |               | Trading of Motor oils, lubricants, tyres and heavy vehicle spares |               | Others       |              | Consolidated Total |                 |
|--|-----------------|---------------|---|---------------|--------------|--------------|--------------------|-----------------|
|  | 2015            | 2014          | 2015  | 2014          | 2015         | 2014         | 2015               | 2014            |
| <b>Revenue</b>   |                 |               |   |               |              |              |                    |                 |
| External Sales   | 1,276.00        | 823.87        | 183.54  | 182.07        | 56.44        | 72.92        | 1,515.98           | 1,078.86        |
| Other Income   | 3.29            | 2.66          | 0.29  | 5.00          | 1.35         | 0.24         | 4.93               | 7.90            |
| Interest Income  | 1.12            | 1.25          | -   | -             | 0.12         | 0.10         | 1.24               | 1.35            |
| Unallocated corporate Income                                     | -               | -             | -   | -             | -            | -            | 4.50               | 0.05            |
| <b>Total Revenue</b>   | <b>1,280.41</b> | <b>827.78</b> | <b>183.83</b>   | <b>187.07</b> | <b>57.91</b> | <b>73.26</b> | <b>1,526.66</b>    | <b>1,088.16</b> |
| Segment Result (Before Interest and Tax Expense)                 | 124.72          | 74.04         | 4.19  | 5.77          | 10.76        | -4.65        | 139.67             | 75.16           |
| Interest Expense   | 40.20           | 28.50         | -   | -             | 1.46         | 1.20         | 41.66              | 29.70           |
| Unallocated corporate Expense                                    | -               | -             | -   | -             | -            | -            | 0.59               | 2.16            |
| Tax expense / Credit   | -               | -             | -   | -             | -            | -            | 29.01              | 16.48           |
| <b>Profit / Loss for the year</b>                                | <b>84.52</b>    | <b>45.54</b>  | <b>4.19</b>   | <b>5.77</b>   | <b>9.30</b>  | <b>-5.85</b> | <b>68.41</b>       | <b>26.82</b>    |
| Segment Assets   | 485.22          | 312.28        | 63.15   | 68.68         | 38.61        | 43.78        | 586.98             | 424.73          |
| Unallocated corporate Assets                                     | 485.22          | 312.28        | 63.15   | 68.68         | 38.61        | 43.78        | 99.04              | 40.15           |
| <b>Total Assets</b>  | <b>485.22</b>   | <b>312.28</b> | <b>63.15</b>  | <b>68.68</b>  | <b>38.61</b> | <b>43.78</b> | <b>686.02</b>      | <b>464.88</b>   |
| Segment Liabilities  | 457.18          | 292.47        | 10.81   | 7.76          | 53.68        | 69.26        | 521.66             | 369.50          |
| Unallocated corporate Liabilities                                | -               | -             | -   | -             | -            | -            | 2.41               | 1.68            |
| <b>Total Liabilities</b>   | <b>457.18</b>   | <b>292.47</b> | <b>10.81</b>  | <b>7.76</b>   | <b>53.68</b> | <b>69.26</b> | <b>524.07</b>      | <b>371.18</b>   |
| Capital Expenditure towards acquisition of Fixed assets          | 286.51          | 128.35        | 0.04  | 0.92          | 1.13         | 21.97        | 287.68             | 151.24          |
| Depreciation / amortization provided during the year             | 132.56          | 88.81         | 0.06  | 0.02          | 5.71         | 13.90        | 138.33             | 102.73          |
| <b>Non Cash expense other than depreciation and amortization</b> | <b>2.10</b>     | <b>1.04</b>   | <b>-</b>  | <b>-</b>      | <b>-</b>     | <b>-</b>     | <b>2.10</b>        | <b>1.04</b>     |

**Geographical Operation**

The operating interests of the company are confined to India since all the operational activities exist in India only. Accordingly, the figure appearing in these financial statements relate to the Company's single geographical location i.e. India

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014

**Note: 36 - Group Information**

Consolidated Financial Statements as at March 31, 2014, 2015 comprise the Financial Statements [FS] of Chartered Speed Limited and its subsidiaries.

| Sr. No. | Name of subsidiaries   | Country of Incorporation | Principal Activity                   | % equity interest as at March 31 |      |
|---------|--|--------------------------|--------------------------------------|----------------------------------|------|
|         |  |                          |                                      | 2015                             | 2014 |
| 1       | Chartered Bus Private Limited [ Formerly known as Chartered Cabs Private Limited ] | India                    | Passenger Transport Industry         | 100%                             | 100% |
| 2       | Chartered Marble Private Limited   | India                    | Extracting Marbles from Mines        | 51%                              | 51%  |
| 3       | Chartered Autozone Private Limited   | India                    | Car care services                    | 60%                              | 75%  |
| 4       | Chartered Auto Components Private Limited  | India                    | Trading in Auto Components and parts | 51%                              | 51%  |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Consolidated IGAAP Summary Financial Statement as at and for the year ended 31 March 2015 and 2014**

**32** Financial statements for the year ended 31 March 2015 and 2014 were audited and reported by another firm of Chartered Accountants.

**33** The company has not declared and paid any dividend during the financial year 2013-14 and 2014-15.

**34** Ageing of the debtors is as under:

| Period             | INR Million    |                |
|--------------------|----------------|----------------|
|                    | As at          |                |
|                    | March 31, 2015 | March 31, 2014 |
| Not due            | 39.92          | 45.25          |
| 1 - 30 days        | 21.12          | 21.72          |
| 31 - 90 days       | 6.38           | 6.21           |
| 91 - 180 days      | 0.66           | 0.83           |
| More than 180 days | 0.76           | 0.55           |

**35** Accounting Ratios:

|  |             | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------|----------------------|----------------------|
| <b>Return on Net worth:</b>  |             |                      |                      |
| Net Profit (Total Comprehensive Income) available to Equity Shareholders of the Parent | INR Million | 68.41                | 26.82                |
| Net worth of the Equity Shareholders of the Parent                                     | INR Million | 161.82               | 93.61                |
| <b>Return to Net worth (%)</b>   | <b>%</b>    | <b>42.28%</b>        | <b>28.65%</b>        |
| <b>Net Assets Value per Share:</b>   |             |                      |                      |
| Net worth of the Equity Shareholders of the Parent                                     | INR Million | 161.82               | 93.61                |
| Total Number of Equity Shares outstanding at the end of the period                     | Numbers     | 28,026,710           | 28,026,710           |
| <b>Net Assets Value per Share</b>  | <b>INR</b>  | <b>5.77</b>          | <b>3.34</b>          |

**37** Details of material adjustments and regrouping / reclassification made to the audited financial statements:

**A** Material adjustments to the audited financial statements:

| Particulars   | For the year ended March 31, |              |
|---|------------------------------|--------------|
|   | 2015                         | 2014         |
| <b>Net profit after tax as per Audited financial statements of the respective year</b>  | <b>69.76</b>                 | <b>27.64</b> |
| Add / Less : Adjustments in respect of -  |                              |              |
| Preliminary Expenses [*]  | (0.74)                       | (0.22)       |
| Gratuity [**]   | 2.10                         | 1.04         |
| Total   | 1.36                         | 0.82         |
| <b>Net profit after tax as per Restated financial statements of the respective year</b> | <b>68.40</b>                 | <b>26.82</b> |

[\*] The company has amortised the preliminary expenses over more than one year. As per the requirement of the accounting standards, the same is required to be expensed out in the year in which the same is incurred. Hence, the same is adjusted in the opening Retained earnings.

[\*\*] The company has not made gratuity provision till the year ended March 31, 2016. The company has recorded cumulative liability towards Gratuity in the financial year 2016-17. Pursuant to this non-compliance of the accounting standard, an adjustment is made in this restated consolidated summary statements.

**B Regrouping / Reclassifications made to the audited financial statements:**

The financial information of the previous years have been regrouped / reclassified to conform to the current year regrouping / reclassification.

The accompanying summary of significant accounting policies and notes to Consolidated summary statement (Annexure-5A ) are an integral part of this statement.

**As per our report of even date**  
**For Mukesh M Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director Director

**Karnik K Shah**  
**Membership No : 129675**

Company Secretary Chief Financial Officer

**Place :** Ahmedabad  
**Date :** 22/09/2018

**Place :** Ahmedabad  
**Date :** 22/09/2018

**Auditors' Report on Financial Information in Relation to Draft Red Herring Prospectus ("DRHP") of Chartered Speed Limited (collectively, the "Restated Standalone Summary Statements")**

To,  
The Board of Directors,  
Chartered Speed Limited [Formerly Chartered Speed Private Limited]  
Sarkhej Bavla Highway, Sanathal,  
Sarkhej, Ahmedabad – 382 210.

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated 10<sup>th</sup> September, 2018.
2. We have examined the attached Restated standalone Summary Statements of **Chartered Speed Limited [formerly Chartered Speed Private Limited]** (hereinafter referred to as the "Company"), which comprise of Restated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Summary of Significant Accounting Policies annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer of equity shares ("IPO"). The Restated Standalone summary statements, which have been approved by the Board of Directors of the Company, have been prepared by the company in accordance with the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (hereinafter referred to as the "Act"), read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and
  - b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 (the "ICDR Regulations").

**Management's Responsibility for the Restated Standalone Financial Information**

3. The preparation of the Restated Standalone Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company, at its meeting held on 22<sup>nd</sup> September, 2018 for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Standalone Financial information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### **Auditors' Responsibilities**

4. We have examined such Restated Standalone Summary Statements taking into consideration:
  - a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated 10<sup>th</sup> September, 2018, requesting us to carry out work such assignment in connection with the proposed IPO.
  - 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 read with applicable provisions within Rule 4 to 6 of the Rules 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.
5. Our examination of the Restated Standalone Summary statements has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), standards of the US Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

### **A. Standalone Summary Statements as per Audited Standalone Financial Statements:**

6. The Restated Standalone 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 Companies Act, 2013 for the years ended March 31, 2018, 2017 and 2016 and the restated standalone Summary statements for the years ended March 31, 2015 and 2014 as per Previous GAAP in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 have been compiled and prepared by the management from:
  - a) the audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meeting held on August 28, 2018; and
  - b) the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2017; 2016; 2015 and 2014, prepared in accordance with accounting principles generally accepted followed in India ("Previous GAAP" or "IGAAP") at the relevant time, which have been approved by the Board of Directors at their meetings held on September 29, 2017; September 1, 2016; September 5, 2015 and August 30, 2014 respectively.

7. For the purpose of our examination, we have relied on:
- a) Auditors' report issued by M/s. Walker Chandiook & Co LLP dated September 29, 2017 on the standalone financial statements of the company as at and for the year ended March 31, 2017, as referred to paragraph 6(b) above;
  - b) Auditors' report issued by M/s. Gandhi Gandhi & Co. dated September 1, 2016 on the standalone financial statements of the company as at and for the year ended March 31, 2016, as referred to paragraph 6(b) above;
  - c) Auditors' report issued by Himanshu Gandhi dated September 5, 2015 on the standalone financial statements of the company as at and for the year ended March 31, 2015, as referred to paragraph 6(b) above; and
  - d) Auditors' report issued by M/s. Sudhanshu Gandhi & Associates dated August 30, 2014 on the standalone financial statements of the company as at and for the year ended March 31, 2014, as referred to paragraph 6(b) above.
8. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that we have examined the following summarized financial information of the company in Restated Standalone summary Statements attached to this report have been arrived at after making material adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Note No. 52 in "Annexure 5A" in the Standalone Ind AS Summary Statements and Note No. 36 in "Annexure 5B" in the Standalone IGAAP Summary Statements as per Previous GAAP, read with Paragraph 10 and 11 below:
- a) The attached Restated summary statement of assets and liabilities of the company as at March 31, 2018, 2017 and 2016 in "Annexure 1A" and as at March 31, 2015 and 2014 in "Annexure 1B" examined by us.
  - b) The attached Restated Summary Statement of Profit and Loss of the company for the years ended March 31, 2018, 2017 and 2016 in "Annexure2A" and for the year ended March 31, 2015 and 2014 in "Annexure 2B" examined by us,
  - c) The attached restated summary statement of changes in equity of the Company for each of the years ended March 31, 2018, 2017 and 2016 examined by us, as set out in "Annexure 3" to this report,
  - d) The attached Restated summary statement of cash flows of the Company for the years ended March 31, 2018, 2017 and 2016 in "Annexure 4A" and for the years ended March 31, 2015 and 2014 in "Annexure 4B" examined by us,
  - e) The attached Restated Standalone Summary statement of accounting ratios, as requested by the company, for the years ended March 31, 2018, 2017 and 2016 in Note

No. 48 in "Annexure 5A" and for the years ended March 31, 2015 and 2014 in Note No. 35 in "Annexure 5B" examined by us,

- f) The attached Restated Standalone Summary statement of Capitalization, as requested by the company, for the years ended March 31, 2018 in Note No. 49 in "Annexure 5A" examined by us,
- g) The attached details of dividend, as requested by the company, in Restated Standalone Summary statement for the years ended March 31, 2018, 2017 and 2016 in Note No. 47 in "Annexure 5A" and for the years ended March 31, 2015 and 2014 in Note No. 33 in "Annexure 5B" examined by us
- h) Based on our examination and according to the information and explanations given to us, we further report that the restated Standalone Summary statements of the company, as attached to this report, read with basis of preparation and respective significant accounting policies in Standalone Ind AS Summary statements of the company along with related notes for the year ended on March 31, 2018, 2017 and 2016 in "Annexure 5A" and Restated Standalone Summary statements of the company as per Previous GAAP for the year ended on March 31, 2015 and 2014 in "Annexure 5B". We further report that the said Restated standalone summary statements-
  - i. have been made after making such material adjustments and regroupings/reclassifications, as fully described in the Note No. 52 in "Annexure 5A" to the restated Standalone Ind AS Summary statements and Note No. 36 in "Annexure 5B" to the restated standalone IGAAP Summary statements, for the changes in significant accounting policies, having material impact on the restated standalone summary statements, retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for respective reporting periods under Ind AS and Previous GAAP;
  - ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate;
  - iii. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Summary Statements; and
  - iv. there are no qualifications in the auditors' reports on the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014, which require any adjustments to the Restated Standalone Summary Statements except for the following qualification included in the auditor's report on the standalone financial statements as at and for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 which have not been adjusted to the Restated Standalone

Summary Statement as, in our opinion, it does not require any corrective adjustment in the Restated standalone summary Statement:

**A. AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018:**

**Other Matters:**

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 were audited and reported by another firm of Chartered Accountants, who had expressed a qualified opinion vide report dated 29<sup>th</sup> September, 2017 in respect of certain assets, income and expenses of a Sirohi division of a company whose records destroyed due to heavy floods in the said area. Our opinion is not qualified in respect of this matter as the assets and liabilities of the said division as on 31<sup>st</sup> March, 2018 are not material as compared to total operations and assets of the Company as a whole.

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2018:**

**Paragraph 4 of Annexure A of the report:**

In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 of the Act in respect of loans given and guarantees given by the company, the details of the same are as follows:

| <b>Name of the Party and relationship</b>   | <b>Nature of transactions</b> | <b>Maximum amount outstanding during the year (INR Million)</b> | <b>Amount outstanding as on 31<sup>st</sup> March, 2018 (INR Million)</b> |
|---|-------------------------------|---|---|
| Chartered Auto Components Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi] | Loan given by the company     | 2.79  | Nil   |
| Chartered Autozone Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi]        | Loan given by the company     | 10.42   | 0.41  |
| Chartered Bike Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi]            | Loan given by the company     | 25.59   | 25.59   |
| Chartered Marbles Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi]         | Loan given by the company     | 5.82  | 5.82  |
| Raman Holding Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi]             | Loan given by the company     | 0.33  | Nil   |

|  |  |       |       |
|--|--|-------|-------|
| Pankaj Gandhi and Ms. Kinjal Gandhi]                                   |  |       |       |
| Rise Auto Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi]      | Loan given by the company                  | 4.43  | 4.43  |
| Chartered Bike Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi] | Performance Guarantee given by the company | 10.00 | 10.00 |

Paragraph 7 of Annexure A of the report:

- i. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not been regular in depositing the amount deducted / accrued in books of account of the company in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues, as applicable, during the year and there have been significant delays in many cases. The details of undisputed dues payable to the authorities as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable are as under-

| Name of the Statute  | Nature of dues        | Amount (INR Million) | Period to which amount relates   | Due date                      | Date of payment     |
|--|-----------------------|----------------------|----------------------------------|-------------------------------|---------------------|
| Employees' Provident Funds & Miscellaneous Provisions Act, 1952  | Provident Fund        | 0.05                 | April-17                         | 15 <sup>th</sup> May, 17      | May, 18             |
|  |                       | 0.006                | July-17                          | 15 <sup>th</sup> Aug., 17     | May, 18             |
|  |                       | 0.004                | Aug-17                           | 15 <sup>th</sup> Sep., 17     | May, 18, Aug., 18   |
| The Finance Act, 1994  | Service Tax           | 2.01                 | June-17                          | 5 <sup>th</sup> August, 17    | April, 18, July, 18 |
|  |                       | 0.13                 | Up to 31 <sup>st</sup> March, 17 | 31 <sup>st</sup> March, 17    | April, 18           |
| Central Goods and Service Tax Act, 2017; State Goods and Service Tax Act, 2017 and Integrated Goods and Service Tax, Act, 2017 | Goods and Service Tax | 0.02                 | July, 17                         | 28 <sup>th</sup> August, 2017 | June, 18            |

|                                      |                            |      |          |                           |                     |
|--------------------------------------|----------------------------|------|----------|---------------------------|---------------------|
| Employees' State Insurance Act, 1948 | Employees' State Insurance | 0.01 | April-17 | 15 <sup>th</sup> May, 17  | May, 18             |
|                                      |                            | 0.03 | May-17   | 15 <sup>th</sup> June, 17 | May, 18             |
|                                      |                            | 0.03 | June-17  | 15 <sup>th</sup> July, 17 | May, 18             |
|                                      |                            | 0.05 | July-17  | 15 <sup>th</sup> Aug., 17 | May, 18 to July, 18 |
|                                      |                            | 0.02 | Aug-17   | 15 <sup>th</sup> Sep., 17 | May, 18 to July, 18 |

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year ended March 31, 2018:**

**Other Matters:**

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2017 were audited and reported by another firm of Chartered Accountants, who had expressed a qualified opinion on the internal controls over financial reporting vide their report dated 29<sup>th</sup> September, 2017 as the company did not have sufficient and appropriate audit evidence in respect of certain assets, income and expenses of a Sirohi division of a company whose records destroyed due to heavy floods in the said area. Our opinion is not qualified in respect of this matter as the assets and liabilities of the said division as on 31<sup>st</sup> March, 2018 are not material as compared to total operations and assets of the Company as a whole.

**B. AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017:**

**Paragraph 8 of the Auditors' report:**

**Basis for Qualified Opinion:**

As detailed in Note 39 to the financial statements, the company's assets include amounts aggregating INR 7.91 Million as at March 31, 2017 and income and expenses include amounts aggregating INR 120.08 Million and INR 114.61 Million respectively for the year ended on that date, in respect of which we were unable to obtain sufficient appropriate audit evidence due to the reasons mentioned in the aforesaid note. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the existence, completeness, carrying value and classification of these amounts and the consequential impact, if any, on the accompanying financial statements.

**Note No 39 is reproduced as under:**

The company is having one of its divisions at Sirohi district, Rajasthan. This division was in trading business of automobile parts and tyres and oil and lubricants. During the last week of July 2017, this division had faced unexpected floods and all the documents and records pertaining to that division got destroyed in floods and the Company was unable to provide relevant records to the statutory auditors of the Company. The aforesaid division had assets and liabilities aggregating INR 16.86 Million and INR 1.19 Million respectively as at 31 March 2017 and the statement of Profit and Loss includes income and expenses aggregating INR 120.27 Million and INR 122.60 Million respectively for the year ended on that date.

This matter was subject matter for qualification in the year ended March 31, 2017.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

**Paragraph 12 (i) (iv) of Report on other legal and regulatory requirements:**

The company has provided disclosures in Note 34 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the bank of accounts maintained by the company. However, owing to the nature of records of the company and in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, permitted/ non-permitted payments and amount deposited in banks.

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2017:**

**I. Paragraph (iii) of Annexure of the report:**

The company has granted interest free unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013; and with respect to the same:

- a. We report that the company has granted interest free unsecured loans to three companies, amounting to INR 108.46 Million (as at March 31, 2017 INR Nil) in respect of which adequate explanation has not been provided to us of any benefit accruing to the company for giving such a loan. In the absence of necessary board resolution and other relevant records, we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the company;
- b. The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular.

**II. Paragraph (iv) of Annexure A of the report:**

In our opinion, the company has not complied with the provisions of section 185 of the Act in respect of the loans given, the details of the same are as follows:

| Party   | Maximum amount outstanding during the year (INR Million) | Amount outstanding as at March 31, 2017 (INR Million) | Remarks, if any   |
|---|--|---|---|
| Chartered Auto Component Pvt. Ltd [*]         | 2.1  | Nil   | The company has given loan and the same has been received back during the year. |
| Chartered Autozone Pvt. Ltd. [*]              | 10.75  | Nil   |   |
| Chartered Bike Pvt. Ltd.                      | 13.13  | Nil   |   |
| Chartered Marbles Pvt. Ltd. [*]               | 4  | Nil   |   |
| Sanyam Gandhi [#]                             | 12.69  | Nil   |   |
| [*] Common directorship of Mr. Pankaj Gandhi. |  |   |   |
| [#] Relative of director.                     |  |   |   |

In our opinion, the company has not complied with the provisions of section 186 of the Act. The details of non-compliances are as under-

| Particulars  | Name of the company                      | Amount involved (INR Million) | Balance as at March 31, 2017 (INR Million) |
|--|--|-------------------------------|--|
| Interest free loan given and non-maintenance of register | Chartered Auto Component Private Limited | 21.38                         | Nil  |
|  | Chartered Autozone Private Limited [*]   | 54.75                         | Nil  |
|  | Chartered Bus Private Limited            | 33.55                         | Nil  |
|  | Chartered Bike Private Limited           | 32.33                         | Nil  |
|  | Chartered Marbles Private Limited [*]    | 2.85                          | Nil  |
|  | Sanyam Gandhi                            | 12.69                         | Nil  |

III. **Paragraph (vii) of Annexure-A of the report:**

(a). Undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 for the year ended March 31, 2017:**

**Basis for Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2017:

As detailed in Note 39 to the financial statements, the company did not have sufficient and appropriate audit evidence with respect to revenue, inventory and operating expenses and related assets and liabilities. In absence of sufficient and appropriate audit evidence, we are unable to comment on the design and operating effectiveness of internal controls related to the aforesaid processes, potential misstatement and resultant impact on the profit/ loss and the reserves and surplus as at and for the year ended 31<sup>st</sup> March, 2017

A “material weakness” is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company’s financial statements will not be prevented or detected on a timely basis.

Note No 39 is reproduced in the above paragraph 8 (h) (iv) (B) of this report.

This matter was subject matter for qualification in the year ended March 31, 2017.

**Qualified Opinion:**

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has, in all material respects adequate IFCoFR and such IFCoFR were operating effectively as at 31<sup>st</sup> March, 2017, based on internal control financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company, as at and for the year ended 31<sup>st</sup> March, 2017, and this material weaknesses have affected our opinion on the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.

9. We have not audited any Standalone Financial Statements of the Company as at any date or for any period subsequent to March 31, 2018. Accordingly, we do not express any opinion on the financial position, results of operations, cash flows or changes in equity of the Company as at any date or for any period subsequent to March 31, 2018.
  
10. According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors as mentioned in paragraph 7 above, in our opinion, the Restated standalone Summary Statements and the above restated financial information contained in the relevant Annexures accompanying this report read with summary of significant accounting policies disclosed therein, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR regulations and the Guidance note.

11. According to information and explanation given to us in our opinion, the Proforma Restated Ind AS Standalone Summary Statements of the Company as at March 31, 2016 and for the year ended March 31, 2016 read with Summary of Significant Accounting Policies disclosed therein, are prepared after making proforma adjustments and have been prepared in accordance with the Rules, the ICDR Regulations and the Guidance Note.
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 or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statement referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**Restriction on Use**

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Issue, to be filed by the Company with the SEBI and the concerned stock exchanges.

For Mukesh M. Shah & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 106625W

Karnik K. Shah  
Partner  
Membership No: 129675  
Place: Ahmedabad  
Date: September 22, 2018

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |                               |                                |                   |                              |
|--|-------------------------------|--------------------------------|-------------------|------------------------------|
| Annexure 1A - Restated Standalone Ind AS Summary Statement of Assets and Liabilities as at March 31, 2018, 2017 and 2016                                       |                               |                                |                   |                              |
| Particulars  | Note<br>No. of<br>Annexure 5A | INR Million                    |                   |                              |
|  |                               | As at                          |                   |                              |
|  |                               | March 31, 2018                 | March 31, 2017    | March 31, 2016<br>[Proforma] |
| <b>ASSETS:</b>   |                               |                                |                   |                              |
| <b>Non-Current Assets:</b>   |                               |                                |                   |                              |
| Property, Plant and Equipment  | 3 [A]                         | 472.50                         | 609.08            | 447.10                       |
| Capital work-in-progress   | 3 [B]                         | 58.58                          | 1.25              | 8.07                         |
| Other Intangible Assets  | 3 [C]                         | 0.93                           | -                 | -                            |
| Financial Assets:  |                               |                                |                   |                              |
| Investments  | 4                             | 7.66                           | 7.59              | 0.27                         |
| Other Financial Assets   | 5                             | 5.49                           | 15.85             | 12.56                        |
| Other Non-Current Assets   | 6                             | 47.58                          | 54.68             | 60.38                        |
| Assets for Current tax [Net]   | 7                             | 3.93                           | 3.90              | -                            |
| Deferred Tax Assets [Net]  | 8                             | 24.38                          | 8.51              | 10.42                        |
|  |                               | 621.05                         | 700.86            | 538.80                       |
| <b>Current Assets:</b>   |                               |                                |                   |                              |
| Inventories  | 9                             | 50.36                          | 2.93              | 15.33                        |
| Financial Assets:  |                               |                                |                   |                              |
| Investments  | 10                            | 148.17                         | 146.07            | 99.33                        |
| Trade Receivables  | 11                            | 233.09                         | 197.45            | 145.30                       |
| Cash and Cash Equivalents  | 12                            | 44.01                          | 74.63             | 61.37                        |
| Loans  | 13                            | 38.43                          | -                 | 1.15                         |
| Other Current Financial Assets   | 14                            | 174.82                         | 4.18              | 3.02                         |
| Other Current Assets   | 15                            | 49.18                          | 43.40             | 30.80                        |
|  |                               | 738.06                         | 468.66            | 356.30                       |
| <b>Total</b>   |                               | 1,359.12                       | 1,169.52          | 895.10                       |
| <b>EQUITY AND LIABILITIES:</b>   |                               |                                |                   |                              |
| <b>Equity:</b>   |                               |                                |                   |                              |
| Equity Share Capital   | 16                            | 70.12                          | 69.90             | 69.90                        |
| Other Equity   | 17                            | 521.73                         | 373.07            | 223.96                       |
|  |                               | 591.85                         | 442.97            | 293.85                       |
| <b>Non-Current Liabilities:</b>  |                               |                                |                   |                              |
| Financial Liabilities:   |                               |                                |                   |                              |
| Borrowings   | 18                            | 276.08                         | 343.44            | 359.04                       |
| Other Financial Liabilities  | 19                            | 9.91                           | 5.00              | -                            |
| Provisions   | 20                            | 11.89                          | 7.26              | 2.66                         |
|  |                               | 297.88                         | 355.70            | 361.70                       |
| <b>Current Liabilities:</b>  |                               |                                |                   |                              |
| Financial Liabilities:   |                               |                                |                   |                              |
| Borrowings   | 21                            | 122.30                         | 102.08            | 40.61                        |
| Trade Payables   | 22                            | 11.23                          | 9.21              | 6.80                         |
| Other Financial Liabilities  | 23                            | 297.53                         | 234.49            | 179.80                       |
| Other Current Liabilities  | 24                            | 3.20                           | 1.21              | 0.57                         |
| Provisions   | 25                            | 16.47                          | 23.87             | 0.30                         |
| Current Tax Liabilities [Net]  | 26                            | 18.67                          | -                 | 11.47                        |
|  |                               | 469.40                         | 370.86            | 239.55                       |
| <b>Total</b>   |                               | 1,359.12                       | 1,169.52          | 895.10                       |
| <b>Significant Accounting Policies</b>   | 2                             |                                |                   |                              |
| <b>Notes to the Summary Financial Statements</b>   | 1 to 52                       |                                |                   |                              |
| <b>The accompanying summary of significant accounting policies and notes to Standalone Summary Statement (Annexure 5A) are integral part of this statement</b> |                               |                                |                   |                              |
| <u>As per our report of even date</u>  |                               | For and on behalf of the Board |                   |                              |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W  |                               | Managing Director              |                   |                              |
| Karnik K. Shah<br>Partner<br>Membership Number: 129675<br>Ahmedabad, Dated: September 22, 2018   |                               | Chief Financial Officer        | Company Secretary | Director                     |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |                               |                                |                   |                    |
|--|-------------------------------|--------------------------------|-------------------|--------------------|
| Annexure 2A - Restated Summary Standalone Ind AS Statement of Profit and Loss for the year ended March 31, 2018, 2017 and 2016.                                |                               |                                |                   |                    |
| Particulars  | Note<br>No. of<br>Annexure 5A | INR Million                    |                   |                    |
|  |                               | Year ended March 31            |                   |                    |
|  |                               | 2018                           | 2017              | 2016<br>[Proforma] |
| Revenue from Operations  | 28                            | 2,556.50                       | 2,368.30          | 1,971.58           |
| Other Income   | 29                            | 22.18                          | 55.75             | 4.56               |
| <b>Ahmedabad, Dated: September 22, 2018</b>  |                               | <b>2,578.68</b>                | 2,424.05          | 1,976.14           |
| <b>EXPENSES:</b>   |                               |                                |                   |                    |
| Cost of Materials Consumed   | 30                            | -                              | 96.78             | 0.33               |
| Purchases of Stock-in-Trade  | 31                            | 9.95                           | 102.18            | 166.87             |
| Changes in Inventories of Traded goods   | 32                            | 2.93                           | 12.40             | (2.63)             |
| Operating expenses   | 33                            | 1,520.00                       | 1,281.53          | 1,065.42           |
| Employee Benefits Expense  | 34                            | 432.52                         | 368.27            | 250.36             |
| Finance Costs  | 35                            | 57.02                          | 54.05             | 61.41              |
| Depreciation, Amortisation and Impairment expense  | 3                             | 246.67                         | 198.10            | 197.59             |
| Other Expenses   | 36                            | 110.01                         | 99.66             | 76.97              |
| <b>Total Expenses</b>  |                               | <b>2,379.10</b>                | 2,212.97          | 1,816.32           |
| <b>Profit before Tax</b>   |                               | <b>199.58</b>                  | 211.08            | 159.82             |
| Less: Tax Expense:   |                               |                                |                   |                    |
| Current Tax  | 37                            | 91.20                          | 58.87             | 64.97              |
| Deferred Tax   | 8                             | (15.73)                        | 2.32              | (5.81)             |
| Prior year tax adjustment  |                               | -                              | -                 | (3.12)             |
|  |                               | <b>75.47</b>                   | 61.19             | 56.04              |
| <b>Profit for the year</b>   |                               | <b>124.11</b>                  | 149.89            | 103.78             |
| <b>OTHER COMPREHENSIVE INCOME [OCI]:</b>   |                               |                                |                   |                    |
| Items that will not be reclassified to profit or loss:   |                               |                                |                   |                    |
| Re-measurement gain/(losses) on post employment defined benefit plans  |                               | (0.41)                         | (1.19)            | 1.70               |
| Income tax effect  |                               | 0.14                           | 0.41              | (0.59)             |
| <b>Other Comprehensive Income for the year [Net of tax]</b>  |                               | <b>(0.27)</b>                  | (0.78)            | 1.11               |
| <b>Total Comprehensive Income for the year [Net of Tax]</b>  |                               | <b>123.84</b>                  | 149.11            | 104.89             |
| <b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>  | 38                            | <b>4.43</b>                    | 5.35              | 3.70               |
| <b>Significant Accounting Policies</b>   | 2                             |                                |                   |                    |
| <b>Notes to the Summary Financial Statements</b>   | 1 to 52                       |                                |                   |                    |
| <b>The accompanying summary of significant accounting policies and notes to Standalone Summary Statement (Annexure 5A) are integral part of this statement</b> |                               |                                |                   |                    |
| <u>As per our report of even date</u>  |                               | For and on behalf of the Board |                   |                    |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W  |                               | Managing Director              |                   |                    |
| Karnik K. Shah<br>Partner<br>Membership Number: 129675<br>Ahmedabad, Dated: September 22, 2018   |                               | Chief Financial Officer        | Company Secretary | Director           |

| <b>CHARTERED SPEED PRIVATE LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>                    |                         |                                |                              |
|--|-------------------------|--------------------------------|------------------------------|
| <b>Annexure 4A - Standalone Cash Flow Statement for the year ended March 31, 2018, 2017 and 2016</b> |                         |                                |                              |
| Particulars  | INR Million             |                                |                              |
|  | Year ended March 31     |                                |                              |
|  | 2,018                   | 2,017                          | 2016<br>[Proforma]           |
| <b>A Cash flows from operating activities:</b>   |                         |                                |                              |
| Profit before tax  | 199.58                  | 211.08                         | 159.82                       |
| Adjustments for:   |                         |                                |                              |
| Depreciation, Impairment and Amortisation expenses   | 246.67                  | 198.10                         | 197.59                       |
| Profit on sale of property, plant and equipment [Net]  | (16.52)                 | (6.46)                         | (0.27)                       |
| [Profit]/Loss on sale of investments [Net]   | 3.08                    | (41.92)                        | (4.01)                       |
| Interest income  | (3.09)                  | (5.10)                         | (2.68)                       |
| Dividend income  | (0.005)                 | (0.00)                         | -                            |
| Interest expenses  | 57.02                   | 56.30                          | 59.35                        |
| Bad debts written off  | 0.46                    | 0.75                           | 0.36                         |
| Provision for doubtful debts [net of written back]   | -                       | 1.54                           | -                            |
| Provisions for employee benefits   | (3.14)                  | 26.08                          | 1.52                         |
| Provisions for probable warranty claim on buses supply [net of written back]                         | (0.03)                  | 0.75                           | -                            |
| Total  | 284.45                  | 230.03                         | 251.87                       |
| Operating profit before working capital changes  | 484.03                  | 441.11                         | 411.69                       |
| Adjustments for:   |                         |                                |                              |
| [Increase]/Decrease in trade receivables   | (36.10)                 | (54.44)                        | (84.21)                      |
| [Increase]/ Decrease in inventories  | (47.43)                 | 12.40                          | (2.63)                       |
| [Increase]/ Decrease in other assets   | (159.48)                | (16.59)                        | 35.91                        |
| [Decrease]/Increase in trade payables  | 2.03                    | 2.41                           | (0.26)                       |
| [Decrease]/ Increase in other liabilities  | 29.34                   | 33.96                          | 7.69                         |
| Total  | (211.64)                | (22.26)                        | (43.50)                      |
| Cash generated from operations   | 272.39                  | 418.85                         | 368.19                       |
| Direct taxes paid [Net of refunds]   | (72.55)                 | (74.24)                        | (50.37)                      |
| Net cash from operating activities   | 199.84                  | 344.61                         | 317.82                       |
| <b>B Cash flows from investing activities:</b>   |                         |                                |                              |
| Purchase of property, plant and equipment  | (155.59)                | (347.79)                       | (340.12)                     |
| Proceeds from sale of property, plant and equipment  | 25.59                   | 9.53                           | 1.75                         |
| Purchase of non current investments  | (0.08)                  | (7.40)                         | -                            |
| Proceeds from sale of non current investments  | -                       | 0.25                           | 11.05                        |
| Purchase of Current Investment   | (104.79)                | (145.04)                       | (228.41)                     |
| Proceeds from sale of current investments  | 99.61                   | 140.04                         | 221.79                       |
| Advances to subsidiary/associate companies   | (105.13)                | (157.55)                       | (115.32)                     |
| Repayment of advances by subsidiary/associate companies  | 66.70                   | 158.70                         | 114.17                       |
| Investment in Fixed deposits with banks  | 1.01                    | (5.20)                         | (20.59)                      |
| Interest received  | 2.56                    | 3.79                           | 2.52                         |
| Dividend received  | -                       | 0.00                           | -                            |
| Net cash from investing activities   | (170.12)                | (350.68)                       | (353.16)                     |
| <b>C Cash flows from financing activities:</b>   |                         |                                |                              |
| Proceeds from non current borrowings   | 133.65                  | 204.91                         | 506.59                       |
| Repayment of non current borrowings  | (180.96)                | (164.82)                       | (389.12)                     |
| Increase in Share Capital inclusive of security premium  | 25.05                   | -                              | -                            |
| Current Borrowings [Net]   | 20.21                   | 29.09                          | -                            |
| Interest paid  | (57.25)                 | (53.05)                        | (59.35)                      |
| Net cash from financing activities   | (59.30)                 | 16.13                          | 58.11                        |
| <b>Net increase in cash and cash equivalents</b>   | (29.58)                 | 10.06                          | 22.77                        |
| <b>Cash and cash equivalents at the beginning of the year</b>  | 46.06                   | 36.00                          | 13.23                        |
| <b>Cash and cash equivalents at the end of the year</b>  | 16.48                   | 46.06                          | 36.00                        |
| <b>Consolidated Notes to Cash Flow Statement</b>   |                         |                                |                              |
| 1 All figures in brackets are outflows.  |                         |                                |                              |
| 2 Previous year's figures have been regrouped wherever necessary.                                    |                         |                                |                              |
| 3 Cash and cash equivalents comprise of:   |                         |                                |                              |
|  | As at                   |                                |                              |
|  | March 31, 2018          | March 31, 2017                 | March 31, 2016<br>[Proforma] |
|  |                         |                                | March 31, 2015<br>[Proforma] |
| a Cash on Hand   | 15.09                   | 17.38                          | 10.19                        |
| b Balances with Banks  | 0.26                    | 0.86                           | 7.00                         |
| c Cheques in Hand  | 1.13                    | 27.82                          | 18.81                        |
| d Total  | 16.48                   | 46.06                          | 36.00                        |
| <b>As per our report of even date</b>  |                         | For and on behalf of the Board |                              |
| Ahmedabad, Dated: September 22, 2018   |                         |                                |                              |
| Chartered Accountants  |                         |                                |                              |
| Firm Registration Number: 106625W  |                         |                                |                              |
|  |                         |                                | Managing Director            |
| Karnik K. Shah   |                         |                                |                              |
| Partner  |                         |                                |                              |
| Membership Number: 129675  | Chief Financial Officer | Company Secretary              | Director                     |
| Ahmedabad, Dated: September 22, 2018   |                         |                                |                              |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |                             |                                |                     |               |
|--|-----------------------------|--------------------------------|---------------------|---------------|
| <b>Annexure 3 - Restated Standalone Ind AS Summary Statement of Change in Equity for the year ended March 31, 2018, 2017 and 2016</b>                          |                             |                                |                     |               |
| <b>a Equity Share Capital:</b>   |                             |                                |                     |               |
|  | <b>No. of Shares</b>        | <b>INR Million</b>             |                     |               |
| <b>Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:</b>   |                             |                                |                     |               |
| As at March 31, 2016   | 6,989,600                   | <b>69.90</b>                   |                     |               |
| Issued during the year   | -                           | -                              |                     |               |
| As at March 31, 2017   | 6,989,600                   | <b>69.90</b>                   |                     |               |
| Issued pursuant to Rights issue of Equity Shares   | 22,770                      | <b>0.23</b>                    |                     |               |
| As at March 31, 2018   | 7,012,370                   | <b>70.12</b>                   |                     |               |
| <b>b Other Equity:</b>   |                             |                                |                     |               |
|  | <b>INR Million</b>          |                                |                     |               |
|  | <b>Reserves and Surplus</b> |                                | <b>Items of OCI</b> | <b>Total</b>  |
|  | <b>Securities Premium</b>   | <b>Retained Earning</b>        | <b>OCI Reserve</b>  |               |
| <b>As at April 1, 2015 [Proforma]</b>  | -                           | 119.07                         | -                   | <b>119.07</b> |
| Add: Profit for the year   | -                           | 104.89                         | -                   | <b>104.89</b> |
| [Less]: Other Comprehensive income   | -                           | (1.11)                         | 1.11                | -             |
| <b>Total Comprehensive Income</b>  | -                           | <b>103.78</b>                  | <b>1.11</b>         | <b>104.89</b> |
| <b>As at March 31, 2016 [Proforma]</b>   | -                           | 222.85                         | 1.11                | <b>223.96</b> |
| Add: Profit for the year   | -                           | 149.11                         | -                   | <b>149.11</b> |
| [Less]: Other Comprehensive income   | -                           | 0.78                           | (0.78)              | -             |
| <b>Total Comprehensive Income</b>  | -                           | <b>149.89</b>                  | <b>0.33</b>         | <b>149.11</b> |
| <b>As at March 31, 2017</b>  | -                           | <b>372.74</b>                  | <b>0.33</b>         | <b>373.07</b> |
| Add: Profit for the year   | -                           | 123.84                         | -                   | <b>123.84</b> |
| Add [Less]: Other Comprehensive income   | -                           | 0.27                           | (0.27)              | -             |
| <b>Total Comprehensive Income</b>  | -                           | <b>124.11</b>                  | <b>0.06</b>         | <b>123.84</b> |
| Add: Addition during the year  | 24.82                       | -                              | -                   | <b>24.82</b>  |
| <b>As at March 31, 2018</b>  | <b>24.82</b>                | <b>496.84</b>                  | <b>0.06</b>         | <b>521.73</b> |
| <b>The accompanying summary of significant accounting policies and notes to Standalone Summary Statement (Annexure 5A) are integral part of this statement</b> |                             |                                |                     |               |
| <u>As per our report of even date</u>  |                             | For and on behalf of the Board |                     |               |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W  |                             | Managing Director              |                     |               |
| Karnik K. Shah<br>Partner<br>Membership Number: 129675<br>Ahmedabad, Dated: September 22, 2018   |                             | Chief Financial Officer        | Company Secretary   | Director      |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |  |
|--|--|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>   |  |
| <b>Note: 1-Company overview:</b>   |  |
| <p>Chartered Speed Private Limited ("the company") was incorporated in India on 22nd May, 2007 and is engaged mainly in the business of passenger transportation services via buses and taxis in India. In addition to this, the company is engaged in the cargo and parcel services via bus operations and bus body sales in India. The registered office of the company is situated at Sanathal Circle, Sarkhej-Bavla Highway, Sanathal, Ahmedabad (Gujarat) - 382210. The company is converted from Private Limited Company to Public Limited Company in September, 2018.</p> <p>These financial statements were authorised for issue in accordance with a resolution of the directors on August 28, 2018.</p>  |  |
| <b>Note: 2 - Significant Accounting Policies:</b>  |  |
| <p><b>A</b> The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.</p>  |  |
| <b>1 Basis of preparation:</b>   |  |
| <p><b>A</b> The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.</p> <p><b>B</b> For all periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies[Accounts] Rules, 2014 [Indian GAAP].</p> <p>The Company has adopted Ind AS as per The Companies [Indian Accounting Standards] Rules, 2015 as notified under Section 133 of the Companies Act, 2013 for these Financial statements beginning April 01, 2017. As per the principles of Ind AS 101, the transition date to Ind AS is April 01, 2016 and hence the comparatives for the previous year ended 31 March 2017 and balances as on 1 April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Reconciliations and descriptions of the effect of the transition have been summarized in note 45 and note 46.</p> <p>The proforma financial information of the company as at and for the year ended March 31, 2016, is prepared in accordance with the requirements of the applicable SEBI circular and Guidance Note on Reports in Company Prospectuses, as revised and issued by ICAI. As envisaged by the SEBI circular, the company has followed the same accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the FY 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016.</p> <p>The material adjustments made to the reported profit as per the audited financial statements of the respective years is summarized in Note no. 52</p>   |  |
| <p><b>C</b> The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:</p> <ul style="list-style-type: none"> <li>i Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]</li> <li>ii Defined benefit plans</li> </ul>   |  |
| <b>2 Use of Estimates:</b>   |  |
| <p>The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.</p>  |  |
| <b>Critical estimates and judgments</b>  |  |
| <p><b>a Income Taxes:</b><br/>Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.</p> <p><b>b Property, plant and equipment:</b><br/>Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.</p> <p><b>c Employee Benefits:</b><br/>Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.</p> <p><b>d Product warranty and claims:</b><br/>Significant judgments are involved in provisioning the estimated warranty claims against the bus body supplied by the company</p> <p><b>e Impairment of assets and investments:</b><br/>Significant judgment is involved in determining the estimated future cash flows from the investments, Property, Plant and Equipment to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.</p>  |  |
| <b>3 Foreign Currency Transactions:</b>  |  |
| <p><b>A</b> The Company's financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency. The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.</p> <p><b>B</b> Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.</p>   |  |
| <b>4 Revenue Recognition:</b>  |  |
| <p><b>A</b> 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 and it is reasonable to expect the ultimate collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.</p> <p><b>B</b> Service tax/ Value Added Tax [VAT]/Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is tax collected on value added to the Goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.</p> <p><b>C</b> The specific recognition criteria described below must also be met before revenue is recognised.</p> <p><b>a Sale of Goods:</b><br/>Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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 and allowances, trade discounts and volume rebates.</p> <p>Revenue from sales is based on the price agreed with the parties, net of discounts/ claims. Historical experience is used to estimate and provide for damage claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.</p> <p><b>b Service Income:</b><br/>Income from Bus transportation is recognised as and when the transportation services are provided, i.e. when the service is rendered and are recognised net of service tax/GST, wherever applicable.<br/>Income from parcel is recognised when the goods/documents are delivered and are recognised net of service tax/GST, wherever applicable.</p> <p><b>c Interest Income:</b><br/>For all debt instruments measured at amortised cost interest income is recorded using the effective interest rate [EIR]. 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 or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.</p> <p><b>d Dividend:</b><br/>Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.</p> <p><b>e Other Income:</b><br/>Other income is recognised when no significant uncertainty as to its determination or realisation exists.</p> |  |

**Note: 2 - Significant Accounting Policies-Continued:**

**5 Taxes on Income:**

Tax expenses comprise of current and deferred tax.

**A Current Tax:**

- a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b Current tax items are recognised in correlation to the underlying transaction either in statement of profit and loss, OCI or directly in equity.

**B Deferred Tax:**

- a 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.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.
- d 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g 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.

**6 Property, Plant and Equipment:**

**A** Property, plant and equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an item of tangible property, plant and equipment comprises its purchase price, including freight, duties and taxes to the extent not recoverable from tax authorities and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance charged to the statement of profit and loss during the reporting period in which they are incurred. On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

**C** Depreciation on tangible assets is provided on "written down value method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in case of used vehicles, where the life is estimated by the management considering the conditions of the vehicles and the useful life of such vehicles ranges between 3-6 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

**D** Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.

**E** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.

**F** Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100% in the year of purchase.

**G** Capital work in progress is stated at cost less accumulated impairment loss, if any. All other repair and maintenance costs are recognised in statement of profit or loss as incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

**H** An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.

**7 Intangible Assets:**

**A** 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.

**B** Internally generated intangibles are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

**C** Capitalised cost incurred towards purchase/ development of software is amortised using written down method over its useful life of three year as estimated by the management at the time of capitalisation.

**D** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the statement of profit and loss when the asset is derecognised.

**8 Borrowing Costs:**

**A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method.

**B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use and such period is more than one year.

**9 Impairment of Assets:**

The Property, Plant and Equipments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**10 Inventories:**

Inventories are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective, unserviceable and slow/non moving stocks, if any, are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

**11 Cash and Cash Equivalents:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

**12 Leases:**

Leases in which significant portion of the risk and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payment made under operating lease are charged to Statement of Profit and Loss on straight-line-basis over the period of the lease.

**Note: 2 - Significant Accounting Policies-Continued:**

**As a lessee:**

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. Lease under which the Company assumes potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalised at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expenses on straight line basis in Net Profit in the statement of profit and loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

**As a lessor:**

Lease income from operating leases where the Company is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**13 Provisions, Contingent Liabilities and Contingent Assets:**

**A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. Contingent assets are not recognised but are disclosed separately in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

**B** 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.

**14 Employee Benefits:**

**A Short term obligations:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**B Long term employee benefits obligations:**

**a Defined Benefit Plans:**

**Gratuity:**

The Company operates a defined benefit gratuity plan. The Liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost in calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;
- ii Net interest expense or income.

**b Defined Contribution Plans:**

**Provident Fund Contribution:**

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employees benefit expenses when they are due in the statement of profit and loss.

**15 Dividends:**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

**16 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.

**A Financial assets:**

**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

**b Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in following categories:

**i Debt instruments at amortised cost:**

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate[EIR] method. 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 Statement of Profit and Loss. The losses arising from impairment are recognised in the statement of profit or loss.

**ii Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss [FVTPL].

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

- i The rights to receive cash flows from the asset have expired, or
- ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

**Note: 2 - Significant Accounting Policies-Continued:**

**d Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a Financial assets that are debt instruments, and are measured at amortised cost
- b Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b provided above. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e. all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B Financial liabilities:**

**a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, as described below:

**i Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of 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.

**c Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**C Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

**D Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

**17 Fair Value Measurement**

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:

- a. In the principal market for the asset or liability, or
- b. 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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. 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.

**18 Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**B Standards issued but not yet effective:**

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115 "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations". Both these amendments are applicable to the Company from April 1, 2018.

**Ind AS 115:**

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to 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.

The standard permits two possible methods of transition:

- a Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- b Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Appendix B to Ind AS 21:**

Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  |               |          |          |          |                  |                       |                        |                 |
|---|---------------|----------|----------|----------|------------------|-----------------------|------------------------|-----------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS   |               |          |          |          |                  |                       |                        |                 |
| Note: 3 - Property, Plant & Equipment:  |               |          |          |          |                  |                       |                        |                 |
| A Property, Plant and Equipment:  |               |          |          |          |                  |                       |                        | INR Million     |
|   | Buildings     | Tubewell | Vehicles | Computer | Office Equipment | Machine and Tools     | Furniture and Fixtures | Total           |
| <b>Gross Block:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at April 1, 2015 [*][#]  | 2.75          | 0.24     | 718.01   | 6.10     | 3.10             | 6.55                  | 0.33                   | <b>737.08</b>   |
| Additions   | -             | -        | 288.56   | 1.88     | 1.49             | 0.34                  | 1.21                   | <b>293.48</b>   |
| Disposals   | -             | -        | (9.76)   | -        | -                | -                     | -                      | <b>(9.76)</b>   |
| As at March 31, 2016  | 2.75          | 0.24     | 996.81   | 7.98     | 4.59             | 6.89                  | 1.54                   | <b>1,020.80</b> |
| Additions   | -             | -        | 357.26   | 0.90     | 1.58             | 3.01                  | 0.39                   | <b>363.14</b>   |
| Disposals   | -             | -        | (20.23)  | -        | -                | -                     | -                      | <b>(20.23)</b>  |
| As at March 31, 2017  | 2.75          | 0.24     | 1,333.84 | 8.88     | 6.17             | 9.90                  | 1.93                   | <b>1,363.71</b> |
| Additions   | 3.28          | -        | 99.90    | 3.61     | 4.26             | 5.84                  | 1.93                   | <b>118.82</b>   |
| Disposals   | -             | -        | (48.85)  | -        | -                | -                     | -                      | <b>(48.85)</b>  |
| As at March 31, 2018  | 6.03          | 0.24     | 1,384.89 | 12.49    | 10.43            | 15.74                 | 3.86                   | <b>1,433.68</b> |
| <b>Depreciation and Impairment:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at April 1, 2015 [*][#]  | 0.35          | 0.17     | 377.21   | 3.65     | 0.73             | 2.24                  | 0.04                   | <b>384.39</b>   |
| Depreciation for the year   | 0.12          | 0.05     | 192.27   | 2.15     | 1.88             | 0.81                  | 0.31                   | <b>197.59</b>   |
| Impairment for the year   | -             | -        | -        | -        | -                | -                     | -                      | <b>-</b>        |
| Disposals   | -             | -        | (8.28)   | -        | -                | -                     | -                      | <b>(8.28)</b>   |
| As at March 31, 2016  | 0.47          | 0.22     | 561.20   | 5.80     | 2.61             | 3.05                  | 0.35                   | <b>573.70</b>   |
| Depreciation for the year   | 0.11          | 0.01     | 194.04   | 1.51     | 1.15             | 0.91                  | 0.37                   | <b>198.10</b>   |
| Impairment for the year   | -             | -        | -        | -        | -                | -                     | -                      | <b>-</b>        |
| Disposals   | -             | -        | (17.17)  | -        | -                | -                     | -                      | <b>(17.17)</b>  |
| As at March 31, 2017  | 0.58          | 0.23     | 738.07   | 7.31     | 3.76             | 3.96                  | 0.72                   | <b>754.63</b>   |
| Depreciation for the year   | 0.31          | -        | 237.21   | 2.96     | 3.24             | 1.70                  | 0.90                   | <b>246.32</b>   |
| Impairment for the year   | -             | -        | -        | -        | -                | -                     | -                      | <b>-</b>        |
| Disposals   | -             | -        | (39.77)  | -        | -                | -                     | -                      | <b>(39.77)</b>  |
| As at March 31, 2018  | 0.89          | 0.23     | 935.51   | 10.27    | 7.00             | 5.66                  | 1.62                   | <b>961.18</b>   |
| <b>Net Block:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at April 1, 2015 [*][#]  | 2.40          | 0.07     | 340.80   | 2.45     | 2.37             | 4.31                  | 0.29                   | <b>352.69</b>   |
| As at March 31, 2016  | 2.28          | 0.02     | 435.61   | 2.18     | 1.98             | 3.84                  | 1.19                   | <b>447.10</b>   |
| As at March 31, 2017  | 2.17          | 0.01     | 595.77   | 1.57     | 2.41             | 5.94                  | 1.21                   | <b>609.08</b>   |
| As at March 31, 2018  | 5.14          | 0.01     | 449.38   | 2.22     | 3.43             | 10.08                 | 2.24                   | <b>472.50</b>   |
| <b>B Capital work-in-progress</b>   |               |          |          |          |                  |                       |                        |                 |
| As at March 31, 2016 [*]  |               |          |          |          |                  |                       |                        | <b>8.07</b>     |
| As at March 31, 2017  |               |          |          |          |                  |                       |                        | <b>1.25</b>     |
| As at March 31, 2018  |               |          |          |          |                  |                       |                        | <b>58.58</b>    |
| <b>C Intangible Assets:</b>   |               |          |          |          |                  |                       |                        |                 |
|   |               |          |          |          |                  | Computer Software     |                        | <b>Total</b>    |
| <b>Gross Block:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at April 1, 2015 [*][#]  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Additions   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2016  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Additions   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2017  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Additions   |               |          |          |          |                  | 1.28                  | -                      | <b>1.28</b>     |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2018  |               |          |          |          |                  | 1.28                  | -                      | <b>1.28</b>     |
| <b>Amortisation and Impairment:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at April 1, 2015 [*][#]  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Additions   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2016  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Amortisation for the year   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Impairment for the year   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2017  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Amortisation for the year   |               |          |          |          |                  | 0.35                  | -                      | <b>0.35</b>     |
| Impairment for the year   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| Disposals   |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2018  |               |          |          |          |                  | 0.35                  | -                      | <b>0.35</b>     |
| <b>Net Block:</b>   |               |          |          |          |                  |                       |                        |                 |
| As at March 31, 2016 [*]  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2017  |               |          |          |          |                  | -                     | -                      | <b>-</b>        |
| As at March 31, 2018  |               |          |          |          |                  | 0.93                  | -                      | <b>0.93</b>     |
| <b>Depreciation, Amortisation and Impairment expenses:</b>  |               |          |          |          |                  | <b>INR Million</b>    |                        |                 |
|   |               |          |          |          |                  | <b>Year ended</b>     |                        |                 |
|   |               |          |          |          |                  | <b>March 31, 2018</b> | March 31, 2017         | March 31, 2016  |
|   |               |          |          |          |                  |                       |                        | [Proforma]      |
|   |               |          |          |          |                  | Depreciation          | 246.32                 | 198.10          |
| Amortisation  | 0.35          | -        | -        |          |                  |                       |                        |                 |
| Impairment  | -             | -        | -        |          |                  |                       |                        |                 |
| <b>Total</b>  | <b>246.67</b> | 198.10   | 197.59   |          |                  |                       |                        |                 |
| [*] Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets. |               |          |          |          |                  |                       |                        |                 |
| [#] Proforma  |               |          |          |          |                  |                       |                        |                 |
| <b>Notes:</b>   |               |          |          |          |                  |                       |                        |                 |
| 1 Buildings include INR 500/- [As at March 31, 2017: INR 500/-] {As at March 31, 2016: INR 500/-} being the value of unquoted shares held in cooperative societies.   |               |          |          |          |                  |                       |                        |                 |
| 2 For details of assets hypothecation as security refer note 18.  |               |          |          |          |                  |                       |                        |                 |
| 3 The details mentioned for April 1, 2015 and March 31, 2016 are Proforma.  |               |          |          |          |                  |                       |                        |                 |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |             |                |                |                              |          |             |              |
|--|-------------|----------------|----------------|------------------------------|----------|-------------|--------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS  |             |                |                |                              |          |             |              |
|  | Nos.<br>[*] | INR Million    |                |                              |          |             |              |
|  |             | As at          |                |                              |          |             |              |
|  |             | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |          |             |              |
| <b>Note: 4 - Investments [Non-Current]:</b>  |             |                |                |                              |          |             |              |
| Investments in Subsidiaries:   |             |                |                |                              |          |             |              |
| Investments in Equity Instruments  |             |                |                |                              |          |             |              |
| Investments in Associates:   |             |                |                |                              |          |             |              |
| Investments in Equity Instruments  |             |                |                |                              |          |             |              |
| <b>7.63</b>  |             |                |                |                              |          |             |              |
| 7.56   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| <b>0.03</b>  |             |                |                |                              |          |             |              |
| 0.03   |             |                |                |                              |          |             |              |
| <b>7.66</b>  |             |                |                |                              |          |             |              |
| 7.59   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| A Details of Investments in Subsidiaries/ Associates:  |             |                |                |                              |          |             |              |
| Investment in Equity Instruments [Valued at cost]:   |             |                |                |                              |          |             |              |
| Subsidiary Companies [Unquoted]:   |             |                |                |                              |          |             |              |
| In fully paid-up equity shares of face value of INR 10 each:   |             |                |                |                              |          |             |              |
| 1 Chartered Bus Pvt. Ltd.  |             |                |                |                              |          |             |              |
| 10500 [10500] {10500}  |             |                |                |                              |          |             |              |
| <b>0.11</b>  |             |                |                |                              |          |             |              |
| 0.11   |             |                |                |                              |          |             |              |
| 0.11   |             |                |                |                              |          |             |              |
| 2 Chartered Auto Components Pvt. Ltd.  |             |                |                |                              |          |             |              |
| Nil [Nil] {5100}   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| 0.05   |             |                |                |                              |          |             |              |
| 0.05   |             |                |                |                              |          |             |              |
| 0.05   |             |                |                |                              |          |             |              |
| 3 Chartered Marbles Pvt. Ltd.  |             |                |                |                              |          |             |              |
| 5100 [5100] {5100}   |             |                |                |                              |          |             |              |
| <b>0.05</b>  |             |                |                |                              |          |             |              |
| 0.05   |             |                |                |                              |          |             |              |
| 0.05   |             |                |                |                              |          |             |              |
| 4 Chartered Bike Pvt. Ltd.   |             |                |                |                              |          |             |              |
| 740000 [740000] {Nil}  |             |                |                |                              |          |             |              |
| <b>7.40</b>  |             |                |                |                              |          |             |              |
| 7.40   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| 0.07   |             |                |                |                              |          |             |              |
| 0.07   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| 0.06   |             |                |                |                              |          |             |              |
| 0.06   |             |                |                |                              |          |             |              |
| <b>7.63</b>  |             |                |                |                              |          |             |              |
| 7.56   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| Associate Company [Unquoted]:  |             |                |                |                              |          |             |              |
| 1 Chartered Autozone Pvt. Ltd. [**]  |             |                |                |                              |          |             |              |
| 2600 [2600] {N.A.}   |             |                |                |                              |          |             |              |
| <b>0.03</b>  |             |                |                |                              |          |             |              |
| 0.03   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| <b>0.03</b>  |             |                |                |                              |          |             |              |
| 0.03   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| <b>7.66</b>  |             |                |                |                              |          |             |              |
| 7.59   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| [**] During the year 2016-17, the company became associate from subsidiary.  |             |                |                |                              |          |             |              |
| <b>Total [Aggregate Book Value of Investments]</b>   |             |                |                |                              |          |             |              |
| <b>7.66</b>  |             |                |                |                              |          |             |              |
| 7.59   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| B a i Aggregate book value of quoted investments   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| ii Market value of quoted investments  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| b Aggregate book value of unquoted investments   |             |                |                |                              |          |             |              |
| <b>7.66</b>  |             |                |                |                              |          |             |              |
| 7.59   |             |                |                |                              |          |             |              |
| 0.27   |             |                |                |                              |          |             |              |
| C Explanations:  |             |                |                |                              |          |             |              |
| a In "Nos. [*]" figures of previous year or preceding previous year are same unless stated in [ ] { }.   |             |                |                |                              |          |             |              |
| <b>Note: 5 - Other Financial Assets:</b>   |             |                |                |                              |          |             |              |
| [Unsecured, Considered Good unless otherwise stated]   |             |                |                |                              |          |             |              |
| Security deposits  |             |                |                |                              |          |             |              |
| <b>3.38</b>  |             |                |                |                              |          |             |              |
| 13.83  |             |                |                |                              |          |             |              |
| 12.56  |             |                |                |                              |          |             |              |
| Fixed deposits with bank having maturity of more than 12 months  |             |                |                |                              |          |             |              |
| <b>2.03</b>  |             |                |                |                              |          |             |              |
| 2.00   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| Interest accrued but not due   |             |                |                |                              |          |             |              |
| <b>0.08</b>  |             |                |                |                              |          |             |              |
| 0.02   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| <b>Total</b>   |             |                |                |                              |          |             |              |
| <b>5.49</b>  |             |                |                |                              |          |             |              |
| 15.85  |             |                |                |                              |          |             |              |
| 12.56  |             |                |                |                              |          |             |              |
| <b>Note: 6 - Other Non-Current Assets:</b>   |             |                |                |                              |          |             |              |
| [Unsecured, Considered Good unless otherwise stated]   |             |                |                |                              |          |             |              |
| Capital advances   |             |                |                |                              |          |             |              |
| <b>8.61</b>  |             |                |                |                              |          |             |              |
| 9.19   |             |                |                |                              |          |             |              |
| 17.72  |             |                |                |                              |          |             |              |
| Adjustable Security deposit [ Refer Note No. 27 {B} {a} ]  |             |                |                |                              |          |             |              |
| <b>37.80</b>   |             |                |                |                              |          |             |              |
| 37.80  |             |                |                |                              |          |             |              |
| 37.80  |             |                |                |                              |          |             |              |
| Balances with statutory authorities  |             |                |                |                              |          |             |              |
| <b>0.21</b>  |             |                |                |                              |          |             |              |
| 6.14   |             |                |                |                              |          |             |              |
| 2.52   |             |                |                |                              |          |             |              |
| Others   |             |                |                |                              |          |             |              |
| <b>0.96</b>  |             |                |                |                              |          |             |              |
| 1.55   |             |                |                |                              |          |             |              |
| 2.34   |             |                |                |                              |          |             |              |
| <b>Total</b>   |             |                |                |                              |          |             |              |
| <b>47.58</b>   |             |                |                |                              |          |             |              |
| 54.68  |             |                |                |                              |          |             |              |
| 60.38  |             |                |                |                              |          |             |              |
| <b>Note: 7 - Assets for Current Tax [Net]:</b>   |             |                |                |                              |          |             |              |
| Advance payment of Tax [Net of provision for taxation of INR 124.05 Million {as at March 31, 2017: INR 64.97 Million (as at April 1, 2016: INR Nil )}]   |             |                |                |                              |          |             |              |
| <b>3.93</b>  |             |                |                |                              |          |             |              |
| 3.90   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| <b>Total</b>   |             |                |                |                              |          |             |              |
| <b>3.93</b>  |             |                |                |                              |          |             |              |
| 3.90   |             |                |                |                              |          |             |              |
| -  |             |                |                |                              |          |             |              |
| <b>Note: 8 - Deferred Tax:</b>   |             |                |                |                              |          |             |              |
| A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:   |             |                |                |                              |          |             |              |
| INR Million  |             |                |                |                              |          |             |              |
|  | As at       | Charge for     | As at          | Charge for                   | As at    | Charge for  | As at        |
|  | April 1     | the previous   | March 31       | the previous                 | March 31 | the current | March 31     |
|  | 2015        | year           | 2016           | year                         | 2017     | year        | 2018         |
|  | [Proforma]  |                | [Proforma]     |                              |          |             |              |
| Deferred Tax Liabilities:  |             |                |                |                              |          |             |              |
| Fair Value Adjustment - Financial Instruments  |             |                |                |                              |          |             |              |
|  | 1.86        | (1.84)         | 0.02           | 1.86                         | 1.88     | (1.66)      | <b>0.22</b>  |
| <b>Total</b>   |             |                |                |                              |          |             |              |
|  | 1.86        | (1.84)         | 0.02           | 1.86                         | 1.88     | (1.66)      | <b>0.22</b>  |
| Deferred Tax Assets:   |             |                |                |                              |          |             |              |
| Provision For Employees Benefit  |             |                |                |                              |          |             |              |
|  | -           | (0.59)         | (0.59)         | 1.62                         | 1.03     | 3.40        | <b>4.43</b>  |
| Depreciation   |             |                |                |                              |          |             |              |
|  | 6.88        | 4.03           | 10.91          | (2.35)                       | 8.56     | 10.83       | <b>19.39</b> |
| Others   |             |                |                |                              |          |             |              |
|  | 0.18        | (0.06)         | 0.12           | 0.68                         | 0.80     | (0.02)      | <b>0.78</b>  |
| <b>Total</b>   |             |                |                |                              |          |             |              |
|  | 7.06        | 3.38           | 10.44          | -0.05                        | 10.39    | 14.21       | <b>24.60</b> |
| Net Deferred Tax Assets  |             |                |                |                              |          |             |              |
|  | 5.20        | 5.22           | 10.42          | -1.91                        | 8.51     | 15.87       | <b>24.38</b> |
| B The Net Deferred Tax of INR 15.87 Million [FY 2016-17 : INR 1.91 Million and FY 2015-16 : INR 5.22 Million] for the year has been recognised in the Statement of Profit and Loss.  |             |                |                |                              |          |             |              |
| C 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 has tax losses which arose in India of INR Nil [as at March 31, 2017 - INR Nil {as at March 31, 2016 - INR 0.09 Million }] that are available for offsetting against future taxable profits of the companies in which the losses arose. |             |                |                |                              |          |             |              |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |                             |                |                |                              |
|--|-----------------------------|----------------|----------------|------------------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS  |                             |                |                |                              |
| Note: 9 - Inventories:   |                             |                |                |                              |
|  |                             | INR Million    |                |                              |
|  |                             | As at          |                |                              |
|  |                             | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| [The Inventory is valued at lower of cost and net realisable value]  |                             |                |                |                              |
| Classification of Inventories:   |                             |                |                |                              |
| Bus body materials, spare parts, other consumables including fuel [*]  |                             | 50.36          | -              | -                            |
| Stock-in-Trade   |                             | -              | 2.93           | 15.33                        |
| <b>Total</b>   |                             | <b>50.36</b>   | <b>2.93</b>    | <b>15.33</b>                 |
| [*] The above includes Goods in transit as under:  |                             | 9.73           |                |                              |
| Amount recognised as an expense in statement of profit and loss resulting from write-down of inventories   |                             |                |                |                              |
| Net of reversal of write-down  |                             | -              | -              | -                            |
| For details of inventories hypothecation as security refer note no. 21.  |                             |                |                |                              |
| Note: 10 - Investments [Current]:  |                             |                |                |                              |
|  | Nos.                        | As at          |                |                              |
|  | [*]                         | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Investment in units of Mutual Funds [Quoted]<br>[Valued at Fair Value Through Profit or Loss]:   |                             |                |                |                              |
| Axis Treasury Advantage Fund - Growth  | Nil [Nil] {69}              | -              | -              | 0.12                         |
| Axis Dynamic Equity Fund - Growth  | 1699617 [Nil] {Nil}         | 17.59          | -              | -                            |
| Aditya Birla Sun Life Banking And Financial Services Fund - Growth [**]  | 102572 [628173] {463150}    | 2.90           | 14.75          | 7.51                         |
| Aditya Birla Sun Life Medium Term Plan - Growth  | Nil [287220] {287220}       | -              | 5.86           | 5.35                         |
| Aditya Birla Sun Life MNC Fund - Growth  | 3753 [1368] {8687}          | 2.74           | 0.86           | 4.87                         |
| BNP Paribas Midcap Fund - Growth   | 85121 [343204] {253167}     | 2.77           | 10.32          | 5.98                         |
| DSP Black Rock Money Manager Fund - Growth   | 46 [Nil] {Nil}              | 0.11           | -              | -                            |
| Edelweiss Balanced Advantage Fund - Growth   | 1167115 [Nil] {Nil}         | 25.66          | -              | -                            |
| HDFC Mid Cap Opportunities Fund - Growth   | 27894 [243587] {165144}     | 1.55           | 12.13          | 5.99                         |
| ICICI Prudential Bluechip Equity Fund - Growth   | 69091 [320069] {242659}     | 2.67           | 10.99          | 6.52                         |
| ICICI Prudential Multiple Yield Fund Series 5 - Plan C - Growth  | 180,000                     | 2.74           | 2.59           | 2.33                         |
| Invesco India Dynamic Equity Fund - Growth   | 534379 [Nil] {Nil}          | 14.89          | -              | -                            |
| L&T Infrastructure Fund - Growth   | 349864 [990556] {1328011}   | 6.00           | 14.04          | 13.27                        |
| Reliance Close Ended Equity Fund II - Series A - Growth  | Nil [350000] {350000}       | -              | 5.40           | 4.41                         |
| Kotak Emerging Equity Scheme - Growth  | Nil [131142] {Nil}          | -              | 4.61           | -                            |
| Kotak Standard Multicap Fund - Growth  | Nil [156282] {Nil}          | -              | 4.49           | -                            |
| LIC MF Mid Cap Fund - Growth   | Nil [128049] {Nil}          | -              | 1.62           | -                            |
| L&T Emerging Businesses Fund - Growth  | Nil [223057] {Nil}          | -              | 4.69           | -                            |
| Reliance Close Ended Equity Fund II Series A - Growth  | 350000 [Nil] {Nil}          | 6.02           | -              | -                            |
| Reliance Equity Hybrid Fund - Growth   | 294876 [Nil] {Nil}          | 15.73          | -              | -                            |
| Reliance Small Cap Fund - Growth   | Nil [17105] {Nil}           | -              | 0.59           | -                            |
| SBI Blue Chip Fund - Growth  | Nil [47444] {Nil}           | -              | 1.59           | -                            |
| SBI Equity Hybrid Fund - Growth  | 102396 [Nil] {Nil}          | 12.57          | -              | -                            |
|  |                             | <b>113.94</b>  | 94.53          | 56.35                        |
| Investment in Equity securities [Quoted] [#]<br>[Valued at Fair Value Through Profit or Loss]:   |                             |                |                |                              |
| a Chartered Logistics Limited (face value of INR 10 each)  | 1957816 [1957816] {2447816} | 27.61          | 46.79          | 39.17                        |
| b Infibeam Avenues Limited<br>[formerly known as Infibeam Incorporation Limited] [#]<br>(face value of INR 1 each, previous years INR 10 each)   | 45000 [5000] {8825}         | 6.62           | 4.75           | 3.81                         |
|  |                             | <b>34.23</b>   | 51.54          | 42.98                        |
| <b>Total</b>   |                             | <b>148.17</b>  | <b>146.07</b>  | <b>99.33</b>                 |
| [#] The shares of Infibeam Avenues Limited got listed on the stock exchange on April 4, 2016, hence, the value as at March 31, 2016 is stated at share issue price and is unquoted as at March 31, 2016. |                             |                |                |                              |
| [**] Includes amount paid by the company but pending allotment of units by the Fund  |                             | 0.20           |                |                              |
| A a i Aggregate amount of quoted investments   |                             | 148.17         | 146.07         | 99.33                        |
| ii Market value of quoted investments  |                             | 148.17         | 146.07         | 99.33                        |
| b Aggregate amount of unquoted investments   |                             | -              | -              | -                            |
| B Explanations:  |                             |                |                |                              |
| a In "Nos. [*]" figures of previous year or preceding previous year are same unless stated in [ ] { }.   |                             |                |                |                              |
| Note: 11 - Trade Receivables:  |                             |                |                |                              |
| Secured - Considered good  |                             | -              | -              | -                            |
| Unsecured - Considered good  |                             | 233.09         | 197.45         | 145.30                       |
| Unsecured - Considered doubtful  |                             | 1.54           | 1.54           | -                            |
|  |                             | <b>234.63</b>  | <b>198.99</b>  | <b>145.30</b>                |
| Less: Impairment allowances  |                             | 1.54           | 1.54           | -                            |
| <b>Total</b>   |                             | <b>233.09</b>  | <b>197.45</b>  | <b>145.30</b>                |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |                       |                |                              |
|--|-----------------------|----------------|------------------------------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>   |                       |                |                              |
|  | <b>INR Million</b>    |                |                              |
|  | <b>As at</b>          |                |                              |
|  | <b>March 31, 2018</b> | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Note: 12 - Cash and Cash Equivalents:</b>   |                       |                |                              |
| Balances with Banks  | 0.26                  | 0.86           | 7.00                         |
| Cheques on hand  | 1.13                  | 27.82          | 18.81                        |
| Cash on Hand   | 15.09                 | 17.38          | 10.19                        |
|  | <b>16.48</b>          | 46.06          | 36.00                        |
| Other bank balance: [*]  |                       |                |                              |
| Deposits with maturity more than 3 months but less than 12 months  | 27.53                 | 28.57          | 25.37                        |
| Deposits with maturity more than 12 months   | 2.03                  | 2.00           | -                            |
|  | <b>29.56</b>          | 30.57          | 25.37                        |
| Less: Amounts disclosed as other non-current financial assets (refer note 5)   | 2.03                  | 2.00           | -                            |
| <b>Total</b>   | <b>44.01</b>          | 74.63          | 61.37                        |
| [*] Earmarked balances with banks:   |                       |                |                              |
| A Balances with Banks include:   |                       |                |                              |
| Balances to the extent held as security / margin money deposits against Guarantee  | 29.56                 | 30.57          | 25.37                        |
| <b>Note: 13 - Loans:</b>   |                       |                |                              |
| [Unsecured, Considered Good]   |                       |                |                              |
| Loans and advances to Subsidiaries [*]   | 38.43                 | -              | 1.15                         |
| <b>Total</b>   | <b>38.43</b>          | -              | 1.15                         |
| [*] Loans and Advances [including interest accrued thereon] to Subsidiaries/ Associates at 9% p.a. for business purposes are as under:   |                       |                |                              |
| Chartered Bus Pvt. Ltd.  | 2.18                  | -              | -                            |
| Chartered Marbles Pvt. Ltd.  | 5.82                  | -              | 1.15                         |
| Rise Auto Pvt. Ltd.  | 4.43                  | -              | -                            |
| Chartered Bike Pvt. Ltd.   | 25.59                 | -              | -                            |
| Chartered Autozone Pvt. Ltd.   | 0.41                  | -              | -                            |
|  | <b>38.43</b>          | -              | 1.15                         |
| <b>Note: 14 - Other Current Financial Assets:</b>  |                       |                |                              |
| [Unsecured, Considered Good]   |                       |                |                              |
| Interest accrued but not due   | 0.27                  | 0.34           | 0.17                         |
| Security deposits  | 6.01                  | 1.82           | 2.53                         |
| Unbilled Revenue   | 168.20                | -              | -                            |
| Others   | 0.34                  | 2.02           | 0.32                         |
| <b>Total</b>   | <b>174.82</b>         | 4.18           | 3.02                         |
| <b>Note: 15 - Other Current Assets:</b>  |                       |                |                              |
| [Unsecured, Considered Good]   |                       |                |                              |
| Advances to Suppliers  | 8.76                  | 7.19           | 8.21                         |
| Advances to Employees  | 2.89                  | 2.16           | 2.48                         |
| Prepaid Expenses   | 37.53                 | 34.05          | 20.11                        |
| <b>Total</b>   | <b>49.18</b>          | 43.40          | 30.80                        |
| <b>Note: 16 - Equity Share Capital:</b>  |                       |                |                              |
| <b>Authorised:</b>   |                       |                |                              |
| 1,00,00,000 [as at March 31, 2017: 1,00,00,000 {as at March 31, 2016: 1,00,00,000}]<br>Equity Shares of INR 10/- each  | <b>100.00</b>         | 100.00         | 100.00                       |
|  | <b>100.00</b>         | 100.00         | 100.00                       |
| <b>Issued, Subscribed and Paid-up:</b>   |                       |                |                              |
| 70,12,370 [as at March 31, 2017: 69,89,600 {as at March 31, 2016: 69,89,600}]<br>Equity Shares of INR 10/- each fully paid up  | <b>70.12</b>          | 69.90          | 69.90                        |
| <b>Total</b>   | <b>70.12</b>          | 69.90          | 69.90                        |
| A The reconciliation in number of shares is as under:  |                       |                |                              |
| Number of shares at the beginning of the year  | 6,989,600             | 6,989,600      | 6,989,600                    |
| Add: Issued pursuant to Rights issue of face value of the shares from INR 10/- each  | 22,770                | -              | -                            |
| Number of shares at the end of the year  | <b>7,012,370</b>      | 6,989,600      | 6,989,600                    |
| B The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts. |                       |                |                              |
| C Details of Shareholder holding more than 5% of Total Equity Shares of INR 10/- each, fully paid:   |                       |                |                              |
| <b>Mr. Pankaj Kumar Gandhi</b>   |                       |                |                              |
| No. of Shares  | 3,549,600             | 3,549,600      | 3,549,600                    |
| Percentage of Shareholding   | 51%                   | 51%            | 51%                          |
| <b>Mrs. Alka gandhi</b>  |                       |                |                              |
| No. of Shares  | 3,462,770             | 3,440,000      | 3,440,000                    |
| Percentage of Shareholding   | 49%                   | 49%            | 49%                          |
| D The company has allotted 22,770 equity shares of INR 10/- each on right basis to shareholder on 31st March, 2018.  |                       |                |                              |
| E Equity shares allotted as fully paid bonus shares during the last five years   | <b>6,552,750</b>      | 6,552,750      | 6,552,750                    |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  |   |  |   |                           |                |                              |
|---|---|--|---|---------------------------|----------------|------------------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS   |   |  |   |                           |                |                              |
| <b>Note: 17 - Other Equity:</b>   |   |  |   |                           |                |                              |
|   | <b>INR Million</b>  |  |   |                           |                |                              |
|   | <b>As at</b>  |  |   |                           |                |                              |
|   | <b>March 31, 2018</b>   | March 31, 2017   | March 31, 2016<br>[Proforma]  | <b>March 31, 2018</b>     | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Other Reserves:</b>  |   |  |   |                           |                |                              |
| <b>Securities Premium: [*]</b>  |   |  |   |                           |                |                              |
| Balance as per last Balance Sheet   | -   | -  | -   |                           |                |                              |
| Add: Credited during the year pursuant to issue of shares as premium  | <b>24.82</b>  | -  | -   |                           |                |                              |
| Balance as at the end of the year   | <b>24.82</b>  | -  | -   |                           |                |                              |
| <b>Other Comprehensive Income [OCI]:</b>  |   |  |   |                           |                |                              |
| Balance as per last Balance Sheet   | <b>0.33</b>   | 1.11   | -   |                           |                |                              |
| [Less]/ Add: [Debited]/ Credited during the year  | <b>(0.27)</b>   | (0.78)   | 1.11  |                           |                |                              |
| Balance as at the end of the year   | <b>0.06</b>   | 0.33   | 1.11  |                           |                |                              |
| <b>Retained Earnings:</b>   |   |  |   |                           |                |                              |
| Balance as per last Balance Sheet   | <b>372.74</b>   | 222.85   | 119.07  |                           |                |                              |
| Add: Profit for the year  | <b>123.84</b>   | 149.11   | 104.89  |                           |                |                              |
| Total   | <b>496.58</b>   | 371.96   | 223.96  |                           |                |                              |
| Less: Items of other Comprehensive income recognised directly in Retained Earnings:   |   |  |   |                           |                |                              |
| Re-measurement gains/ [losses] on defined benefit plans [net of tax]  | <b>(0.27)</b>   | -0.78  | 1.11  |                           |                |                              |
| Balance as at the end of the year   | <b>496.85</b>   | 372.74   | 222.85  |                           |                |                              |
| <b>Total</b>  | <b>521.73</b>   | 373.07   | 223.96  |                           |                |                              |
| [*] Securities premium is created due to premium on issue of shares. This reserve can be utilised in accordance with the provision of the Companies Act, 2013.  |   |  |   |                           |                |                              |
| <b>Note: 18 - Borrowings:</b>   |   |  |   |                           |                |                              |
|   | <b>INR Million</b>  |  |   |                           |                |                              |
|   | <b>Non-current portion</b>  |  |   | <b>Current Maturities</b> |                |                              |
|   | <b>As at</b>  |  |   |                           |                |                              |
|   | <b>March 31, 2018</b>   | March 31, 2017   | March 31, 2016<br>[Proforma]  | <b>March 31, 2018</b>     | March 31, 2017 | March 31, 2016<br>[Proforma] |
| A Term Loans from Banks:  |   |  |   |                           |                |                              |
| Secured   | <b>276.08</b>   | 343.40   | 323.61  | <b>189.33</b>             | 166.32         | 141.13                       |
|   | <b>276.08</b>   | 343.40   | 323.61  | <b>189.33</b>             | 166.32         | 141.13                       |
| B Term Loans from NBFCs:  |   |  |   |                           |                |                              |
| Secured   | -   | 0.04   | 3.05  | <b>0.04</b>               | 3.01           | 4.89                         |
| C From directors [Unsecured]  |   |  |   |                           |                |                              |
| Alka Gandhi   | -   | -  | 13.98   | -                         | -              | -                            |
| Kinjal Gandhi   | -   | -  | 3.34  | -                         | -              | -                            |
| Pankaj Gandhi   | -   | -  | 15.06   | -                         | -              | -                            |
| Total   |   |  | 32.38   |                           |                |                              |
| <b>Total</b>  | <b>276.08</b>   | 343.44   | 359.04  | <b>189.37</b>             | 169.33         | 146.02                       |
| The above amount includes:  |   |  |   |                           |                |                              |
| Secured borrowings  | <b>276.08</b>   | 343.44   | 326.66  | <b>189.37</b>             | 169.33         | 146.02                       |
| Unsecured borrowings  | -   | -  | 32.38   | -                         | -              | -                            |
| Amount disclosed under the head "Other Current Financial Liabilities" [Note-23]   | -   | -  | -   | <b>(189.37)</b>           | (169.33)       | (146.02)                     |
| <b>Net amount</b>   | <b>276.08</b>   | 343.44   | 359.04  | -                         | -              | -                            |
| <b>A Securities and Terms of Repayment for Secured Long Term Borrowings:</b>  |   |  |   |                           |                |                              |
| <b>a Rupee Loans:</b>   |   |  |   |                           |                |                              |
| <b>i Details of term loans from Banks is secured by-</b>  |   |  |   |                           |                |                              |
|   | <b>Nature of Security</b>   | <b>Value of Security</b>                                   | <b>Terms of repayment and interest rate</b>   |                           |                |                              |
|   | First Charge by way of hypothecation of buses and other vehicles of the company and further guaranteed by the personal guarantee of the directors of the company. | WDV of assets as at 31st March, 2018 is INR 271.77 Million | The loans are repayable in 36 to 60 EMIs from the date of loan ranging between INR 0.01 Million and INR 0.31 Million along with interest rate ranging from 8.25 % to 10.64 % p.a. |                           |                |                              |
| <b>ii Details of term loans from NBFC is secured by-</b>  |   |  |   |                           |                |                              |
|   | <b>Nature of Security</b>   | <b>Value of Security</b>                                   | <b>Terms of repayment and interest rate</b>   |                           |                |                              |
|   | First charge by way of hypothecation of buses and other vehicles of the company further guaranteed by the personal guarantee of the directors of the company.     | WDV of assets as at 31st March, 2018 is INR 0.71 Million.  | The loan is repayable in 60 EMIs of INR 0.04 Million from the date of loan along with interest rate of 10.64% p.a.  |                           |                |                              |
| <b>Other terms:</b>   |   |  |   |                           |                |                              |
| 1 In the event of pre-closure of loan, prepayment penalty will be levied by the lenders as per the charges prescribed by the respective lenders depending upon the period of pre-closure of the loan.                   |   |  |   |                           |                |                              |
| 2 In the event of any default committed, the lender shall have right to demand the repayment of the entire amount of principal and interest thereon remaining due and outstanding which shall become payable forthwith. |   |  |   |                           |                |                              |
| <b>Note: 19 - Other Financial Liabilities:</b>  |   |  |   |                           |                |                              |
|   | <b>INR Million</b>  |  |   |                           |                |                              |
|   | <b>As at</b>  |  |   |                           |                |                              |
|   | <b>March 31, 2018</b>   | March 31, 2017   | March 31, 2016<br>[Proforma]  | <b>March 31, 2018</b>     | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Trade Deposits  | <b>9.91</b>   | 5.00   | -   |                           |                |                              |
| <b>Total</b>  | <b>9.91</b>   | 5.00   | -   |                           |                |                              |
| <b>Note: 20 - Provisions:</b>   |   |  |   |                           |                |                              |
| Provision for Employee Benefits   | <b>11.89</b>  | 7.26   | 2.66  |                           |                |                              |
| <b>Total</b>  | <b>11.89</b>  | 7.26   | 2.66  |                           |                |                              |



| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |  |  |  |                      |                                  |                      |
|--|--|--|--|----------------------|----------------------------------|----------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS  |  |  |  |                      |                                  |                      |
| Note: 20 - Long Term Provisions-Continued:   |  |  |  |                      |                                  |                      |
| <b>H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:</b>   |  |  |  |                      |                                  |                      |
| <b>Particulars</b>   | <b>As at March 31, 2018</b>                      | <b>As at March 31, 2017</b>                      | <b>As at April 1, 2016</b>                       |                      |                                  |                      |
| Discount rate [*]  | 6.80%  | 6.80%  | 7.60%  |                      |                                  |                      |
| Annual increase in salary cost [#]   | 8% p.a. for next 4 years & 5% thereafter         | 8% p.a. for next 5 years & 5% thereafter         | 8% p.a. for next 6 years & 5% thereafter         |                      |                                  |                      |
| Withdrawal Rates [##]  | 35% at younger ages reducing to 5% at older ages | 35% at younger ages reducing to 5% at older ages | 35% at younger ages reducing to 5% at older ages |                      |                                  |                      |
| [*] The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations.  |  |  |  |                      |                                  |                      |
| [#] The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.   |  |  |  |                      |                                  |                      |
| [##] This is Management's estimate of the level of attrition in the company over the long term after taking into account the broad economic outlook, type of sector the company operates in and measures taken by the management to retain/ relieve the employees.   |  |  |  |                      |                                  |                      |
| <b>I The categories of plan assets as a % of total plan assets are:</b>  |  |  |  |                      |                                  |                      |
| Insurance plan   |  |  | 0.00%  | 0.00%                |                                  |                      |
| <b>J Amount recognised in current and previous four years:</b>   |  |  |  |                      |                                  |                      |
|  | <b>As at March 31</b>                            |  |  |                      |                                  |                      |
|  | <b>2018</b>                                      | <b>2017</b>                                      | <b>2016</b>                                      | <b>2015</b>          | <b>2014</b>                      |                      |
| <b>Gratuity:</b>   |  |  |  |                      |                                  |                      |
| Defined benefit obligation   | 13.28  | 7.84   | 2.96   | 3.13                 | 1.04                             |                      |
| Fair value of Plan Assets  | -  | -  | -  | -                    | -                                |                      |
| Deficit/ [Surplus] in the plan   | 13.28  | 7.84   | 2.96   | 3.13                 | 1.04                             |                      |
| Actuarial Loss/ [Gain] on Plan Obligation  | 0.41   | 1.19   | (1.70)   | 0.55                 | -                                |                      |
| Actuarial Loss/ [Gain] on Plan Assets  | -  | -  | -  | -                    | -                                |                      |
| The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.   |  |  |  |                      |                                  |                      |
| The average duration of the defined benefit plan obligation at the end of the reporting period is 5.38 years [as at March 31 2017: 4.90 years, as at March 31 2016: 5.06 years]  |  |  |  |                      |                                  |                      |
| <b>Sensitivity analysis:</b>   |  |  |  |                      |                                  |                      |
| A quantitative sensitivity analysis for significant assumption as is as shown below:   |  |  |  |                      |                                  |                      |
| <b>A Gratuity:</b>   |  |  |  |                      |                                  |                      |
| <b>Particulars</b>   | <b>As at</b>                                     |  |  |                      |                                  |                      |
|  | <b>March 31, 2018</b>                            |  | <b>March 31, 2017</b>                            |                      | <b>March 31, 2016 [Proforma]</b> |                      |
| Assumption   | <b>Discount rate sensitivity</b>                 |  |  |                      |                                  |                      |
| Sensitivity Level  | <b>0.5% increase</b>                             | <b>0.5% decrease</b>                             | <b>0.5% increase</b>                             | <b>0.5% decrease</b> | <b>0.5% increase</b>             | <b>0.5% decrease</b> |
| Impact on defined benefit obligation [INR]   | (0.34)   | 0.36   | (0.21)   | 0.22                 | (0.07)                           | 0.08                 |
| Assumption   | <b>Salary growth rate sensitivity</b>            |  |  |                      |                                  |                      |
| Sensitivity Level  | <b>0.5% increase</b>                             | <b>0.5% decrease</b>                             | <b>0.5% increase</b>                             | <b>0.5% decrease</b> | <b>0.5% increase</b>             | <b>0.5% decrease</b> |
| Impact on defined benefit obligation [INR]   | 0.30   | (0.29)   | 0.22   | (0.21)               | 0.08                             | (0.08)               |
| Assumption   | <b>Withdrawal rate (W.R.) sensitivity</b>        |  |  |                      |                                  |                      |
| Sensitivity Level  | <b>10% increase</b>                              | <b>10% decrease</b>                              | <b>10% increase</b>                              | <b>10% decrease</b>  | <b>10% increase</b>              | <b>10% decrease</b>  |
| Impact on defined benefit obligation [INR]   | (0.30)   | 0.31   | (0.31)   | 0.32                 | (0.08)                           | 0.08                 |
| <b>The following payments are expected contributions to the defined benefit plan in future years:</b>  |  |  |  |                      |                                  |                      |
|  | <b>INR Million</b>                               |  |  |                      |                                  |                      |
|  | <b>As at March 31</b>                            |  |  |                      |                                  |                      |
|  | <b>2018</b>                                      | <b>2017</b>                                      | <b>2016 [Proforma]</b>                           |                      |                                  |                      |
| Within the next 12 months [next annual reporting period]   | 1.41   | 0.59   | 0.30   |                      |                                  |                      |
| Between 2 and 5 years  | 7.54   | 4.48   | 1.66   |                      |                                  |                      |
| Between 5 and 10 years   | 5.61   | 3.98   | 1.49   |                      |                                  |                      |
| <b>Total expected payments</b>   | <b>14.55</b>                                     | <b>9.04</b>                                      | <b>3.45</b>                                      |                      |                                  |                      |
| <b>Note: 21 - Borrowings:</b>  |  |  |  |                      |                                  |                      |
|  | <b>INR Million</b>                               |  |  |                      |                                  |                      |
|  | <b>As At</b>                                     |  |  |                      |                                  |                      |
|  | <b>March 31, 2018</b>                            | <b>March 31, 2017</b>                            | <b>March 31, 2016 [Proforma]</b>                 |                      |                                  |                      |
| Loans repayable on Demand:   |  |  |  |                      |                                  |                      |
| Loan from directors and related parties [Unsecured] [*]  | 31.64  | -  | -  |                      |                                  |                      |
| Working Capital Loans from Banks [Secured] [**]  | 90.66  | 48.38  | 40.61  |                      |                                  |                      |
| Short term Borrowing from Banks [Secured] [**]   | -  | 17.00  | -  |                      |                                  |                      |
| Short term Borrowing from Banks [Unsecured] [***]  | -  | 36.70  | -  |                      |                                  |                      |
| <b>Total</b>   | <b>122.30</b>                                    | <b>102.08</b>                                    | <b>40.61</b>                                     |                      |                                  |                      |
| Details for loan outstanding as at March 31, 2018 are as under:  |  |  |  |                      |                                  |                      |
| [**] Working Capital Loans which are, repayable on demand, are secured by hypothecation of inventories of all types, book debts and other current assets (including fixed deposits) and on hypothecation of vehicles and parri passu charge on all the present and future current assets of the company. Further, personal guarantee of Mr. Pankaj Gandhi and Mrs. Alka Gandhi, directors of the company has been provided to working capital lenders. The rate of interest ranges from 8.5% p.a. to 10.75% p.a. |  |  |  |                      |                                  |                      |
| [***] It is a short term unsecured borrowing availed by the company from bank and amount outstanding as at the Balance sheet date is repayable in 11 Equated Monthly Installments. The rate of interest is 10.41% p.a.   |  |  |  |                      |                                  |                      |
| [*] Working Capital Loans which are, repayable on demand, are availed from related parties at interest rate of 9% p.a. [Refer Note 40 for relationship] The details of amount outstanding as at March 31 are as under-   |  |  |  |                      |                                  |                      |
| Chartered Auto Component Private Limited   | 0.34   | -  | -  |                      |                                  |                      |
| Raman Holding Private Limited  | 1.81   | -  | -  |                      |                                  |                      |
| Pankaj Kumar Gandhi  | 13.93  | -  | -  |                      |                                  |                      |
| Alka Gandhi  | 1.07   | -  | -  |                      |                                  |                      |
| Kinjal Gandhi  | 14.49  | -  | -  |                      |                                  |                      |
| <b>Total</b>   | <b>31.64</b>                                     | <b>-</b>   | <b>-</b>   |                      |                                  |                      |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>   |                       |                |                              |
|---|-----------------------|----------------|------------------------------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>  |                       |                |                              |
|   | <b>INR Million</b>    |                |                              |
|   | <b>As At</b>          |                |                              |
|   | <b>March 31, 2018</b> | March 31, 2017 | March 31, 2016<br>[Proforma] |
| <b>Note: 22 - Trade Payables:</b>   |                       |                |                              |
| Micro, Small and Medium Enterprises [*]   | -                     | -              | -                            |
| Others  | <b>11.23</b>          | 9.21           | 6.80                         |
| <b>Total</b>  | <b>11.23</b>          | 9.21           | 6.80                         |
| [*] Disclosure in respect of Micro, Small and Medium Enterprises:   |                       |                |                              |
| A Principal amount remaining unpaid to any supplier as at year end  |                       |                |                              |
| B Interest due thereon  | -                     | -              | -                            |
| C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year  | -                     | -              | -                            |
| D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act  | -                     | -              | -                            |
| E Amount of interest accrued and remaining unpaid at the end of the accounting year   | -                     | -              | -                            |
| F Amount of further interest remaining due and payable in succeeding years  | -                     | -              | -                            |
| There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the statutory auditors of the Company. There is no interest paid or payable during the year.   |                       |                |                              |
| <b>Note: 23 - Other Financial Liabilities:</b>  |                       |                |                              |
| Current Maturities of Long Term Debt [Refer Note- 18]   | <b>189.37</b>         | 169.33         | 146.02                       |
| Interest accrued but not due on borrowings  | <b>2.60</b>           | 3.23           | 2.13                         |
| Employee Related Payable  | <b>22.16</b>          | 22.36          | 13.54                        |
| Security Deposits   | <b>0.27</b>           | 0.40           | 0.33                         |
| Payable to Statutory Authorities  | <b>45.37</b>          | 24.89          | 10.35                        |
| Payable for Capital Goods   | <b>21.25</b>          | -              | -                            |
| Book Overdraft  | <b>14.31</b>          | 11.73          | 7.43                         |
| Provision for expenses  | <b>2.20</b>           | 2.55           | -                            |
| <b>Total</b>  | <b>297.53</b>         | 234.49         | 179.80                       |
| There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.  |                       |                |                              |
| <b>Note: 24 - Other Current Liabilities:</b>  |                       |                |                              |
| Advance received from customers   | <b>3.20</b>           | 1.21           | 0.57                         |
| <b>Total</b>  | <b>3.20</b>           | 1.21           | 0.57                         |
| <b>Note: 25 - Provisions:</b>   |                       |                |                              |
| Provision for Employee Benefits   | <b>15.75</b>          | 23.12          | 0.30                         |
| Provision for warranty  | <b>0.72</b>           | 0.75           | -                            |
| <b>Total</b>  | <b>16.47</b>          | 23.87          | 0.30                         |
| [*] Provision for warranty and claims for buses supplied by the company:  |                       |                |                              |
| a Provision for warranty and claims in respect of buses sold during the earlier year is made based on the management's estimates. The Company does not expect such claims to be reimbursed by any other party in future.  |                       |                |                              |
| b The movement in such provision is stated as under:  |                       |                |                              |
| i Carrying amount at the beginning of the year  | <b>0.75</b>           | -              | -                            |
| ii Additional provision made during the year  | -                     | 0.75           | -                            |
| iii Amount used   | <b>0.03</b>           | -              | -                            |
| iv Carrying amount at the end of the year   | <b>0.72</b>           | 0.75           | -                            |
| <b>Note: 26 - Current Tax Liabilities [Net]:</b>  |                       |                |                              |
| Provision for Taxation [Net of advance payment of tax of INR 72.53 Million {as at March 31, 2017: INR Nil (as at March 31, 2016: INR 53.50 Million)}]   | <b>18.67</b>          | -              | 11.47                        |
| <b>Total</b>  | <b>18.67</b>          | -              | 11.47                        |
| <b>Note: 27-Contingent Liabilities and Commitments [to the extent not provided for]:</b>  |                       |                |                              |
| <b>A Contingent Liabilities:</b>  |                       |                |                              |
| a In respect of guarantees given by Banks and/ or counter guarantees given by the Company   | <b>121.23</b>         | 73.30          | 51.48                        |
| b In respect of Income Tax matters pending before appellate authorities   | <b>1.21</b>           | 0.70           | -                            |
| <b>B Commitments:</b>   |                       |                |                              |
| a As per the terms of the contract with M/s. Ahmedabad Janmarg Limited ["AJL"], a wholly owned subsidiary of Ahmedabad Municipal Corporation, the company is under an obligation to purchase the "Contracted Buses" [i.e. the buses which are owned by the AJL and maintained & operated by the company] after the completion of the contract [in F.Y. 2022-23] at a price fixed in the agreement subject to fulfillment of terms and conditions of the agreement. The company has given a "Adjustable Security Deposit" amounting INR 37.80 Million to AJL and the said deposit will be adjusted against the purchase of buses by the company. | <b>37.80</b>          | 37.80          | 37.80                        |
| b As per the terms of the contract with Surat Municipal Corporation ["SMC"], the company is under an obligation to purchase the "Chasis of Contracted Buses" [i.e. Chasis of the buses which are owned by the SMC and maintained & operated by the company] after the completion of the contract [in F.Y. 2023-24] at a price fixed in the agreement subject to fulfillment of terms and conditions of the agreement.   | <b>40.69</b>          | 40.69          | -                            |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |                            |          |                    |
|--|----------------------------|----------|--------------------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>   |                            |          |                    |
|  | <b>INR Million</b>         |          |                    |
|  | <b>Year ended March 31</b> |          |                    |
|  | <b>2018</b>                | 2017     | 2016<br>[Proforma] |
| <b>Note: 28 - Revenue from Operations:</b>   |                            |          |                    |
| Sale of Services:  |                            |          |                    |
| Bus operations   | <b>2,420.71</b>            | 2,024.48 | 1,736.96           |
| Taxi operations  | <b>46.15</b>               | 41.25    | 47.90              |
| Cargo and parcel income  | <b>67.46</b>               | 30.44    | -                  |
|  | <b>2,534.32</b>            | 2,096.17 | 1,784.86           |
| Sale of Products:  |                            |          |                    |
| Sale of motor oils and lubricants, tyres and heavy vehicle spares  | <b>4.10</b>                | 116.92   | 179.34             |
| Bus body sales   | -                          | 135.78   | -                  |
|  | <b>4.10</b>                | 252.70   | 179.34             |
| Other Operating Revenues:  |                            |          |                    |
| Canteen Sales  | <b>7.76</b>                | 8.04     | 6.72               |
| Advertisement Income   | <b>7.12</b>                | 4.31     | 0.66               |
| Others [*]   | <b>3.20</b>                | 7.08     | -                  |
|  | <b>18.08</b>               | 19.43    | 7.38               |
| <b>Total</b>   | <b>2,556.50</b>            | 2,368.30 | 1,971.58           |
|  |                            | -        |                    |
| <b>Note: 29 - Other Income:</b>  |                            |          |                    |
| Finance Income:  |                            |          |                    |
| Interest Income on Financial Assets measured at Amortised Cost   | <b>3.09</b>                | 5.10     | 3.69               |
| Net Gain on investments measured at FVTPL  | -                          | 41.80    | -                  |
| Profit on sale of property, plant and equipment (net) [*]  | <b>16.52</b>               | 6.46     | 0.27               |
|  | <b>19.61</b>               | 53.36    | 3.96               |
| Other Non-operating Income   | <b>2.57</b>                | 2.39     | 0.60               |
| <b>Total</b>   | <b>22.18</b>               | 55.75    | 4.56               |
| [*] Includes amount received by the company, upon settlement of insurance claims in respect of fully damaged vehicles, in excess of the WDV of respective Property, Plant and Equipment. | <b>13.23</b>               | 4.53     | -                  |
| <b>Note: 30 - Cost of Materials Consumed:</b>  |                            |          |                    |
| Bus Body Materials:  |                            |          |                    |
| Stock at commencement  | -                          | -        | -                  |
| Add: Purchases   | <b>9.77</b>                | 96.78    | 0.33               |
|  | <b>9.77</b>                | 96.78    | 0.33               |
| Less: Stock at close   | <b>9.77</b>                | -        | -                  |
|  | -                          | 96.78    | 0.33               |
| <b>Total</b>   | -                          | 96.78    | 0.33               |
|  | -                          | 96.78    | 0.33               |
| <b>Note: 31 - Purchases of Stock-in-Trade:</b>   |                            |          |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | <b>3.02</b>                | 95.57    | 161.68             |
| Canteen purchase   | <b>6.93</b>                | 6.61     | 5.19               |
| <b>Total</b>   | <b>9.95</b>                | 102.18   | 166.87             |
| <b>Note: 32 - Changes in Inventories of Traded Goods:</b>  |                            |          |                    |
| Stock at commencement:   |                            |          |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | <b>2.93</b>                | 15.33    | 12.70              |
|  | <b>2.93</b>                | 15.33    | 12.70              |
| Less: Stock at close:  |                            |          |                    |
| Motor oils and lubricants, tyres and heavy vehicle spares  | -                          | 2.93     | 15.33              |
|  | -                          | 2.93     | 15.33              |
| <b>Total</b>   | <b>2.93</b>                | 12.40    | (2.63)             |
| <b>Note: 33 - Operating Expenses:</b>  |                            |          |                    |
| Fuel Consumption   | <b>1,008.84</b>            | 860.07   | 705.69             |
| Vehicle running, repairs and maintenance   | <b>259.29</b>              | 224.41   | 199.55             |
| Vehicle Toll tax, RTO and Parking expenses   | <b>108.71</b>              | 81.70    | 70.57              |
| Tyre expenses  | <b>52.66</b>               | 63.07    | 46.62              |
| Royalty  | <b>13.54</b>               | 8.51     | 7.34               |
| Insurance  | <b>42.80</b>               | 23.78    | 22.08              |
| Commission   | <b>4.12</b>                | 2.68     | 0.57               |
| Submerchant charges  | <b>28.60</b>               | 14.75    | 11.06              |
| Other operating expenses   | <b>1.44</b>                | 2.56     | 1.94               |
|  | <b>1,520.00</b>            | 1,281.53 | 1,065.42           |
| <b>Note: 34 - Employee Benefits Expense:</b>   |                            |          |                    |
| Salaries and wages [*]   | <b>376.22</b>              | 326.96   | 228.04             |
| Gratuity   | <b>5.04</b>                | 3.69     | 1.53               |
| Contribution to provident and other funds [**]   | <b>33.35</b>               | 22.71    | 11.93              |
| Staff welfare expenses   | <b>17.91</b>               | 14.91    | 8.86               |
| <b>Total</b>   | <b>432.52</b>              | 368.27   | 250.36             |
| [*] Includes Directors' Remuneration   | <b>25.20</b>               | 12.60    | 8.40               |
| [**] The Company's contribution towards defined contribution plan:   |                            |          |                    |
| Provident fund   | <b>17.91</b>               | 14.76    | 8.52               |
| Employee's state insurance   | <b>15.44</b>               | 7.95     | 3.41               |
| Total  | <b>33.35</b>               | 22.71    | 11.93              |

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>   |                            |              |                    |
|---|----------------------------|--------------|--------------------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>  |                            |              |                    |
|   | <b>INR Million</b>         |              |                    |
|   | <b>Year ended March 31</b> |              |                    |
|   | <b>2018</b>                | 2017         | 2016<br>[Proforma] |
| <b>Note: 35-Finance Cost:</b>   |                            |              |                    |
| Interest expense [*]  | <b>56.05</b>               | 50.93        | 58.64              |
| Other Borrowing Costs   | <b>0.97</b>                | 3.12         | 2.77               |
| <b>Total</b>  | <b>57.02</b>               | 54.05        | 61.41              |
| [*] The break up of interest expense into major heads is given below:   |                            |              |                    |
| On term loans   | <b>47.59</b>               | 44.11        | 52.00              |
| On working capital loans  | <b>7.04</b>                | 6.56         | 3.07               |
| Others (including interest on delayed payment of statutory dues)  | <b>1.42</b>                | 0.26         | 3.57               |
| <b>Total</b>  | <b>56.05</b>               | 50.93        | 58.64              |
| <b>Note: 36-Other Expenses:</b>   |                            |              |                    |
| Advertisement and business promotion expenses   | <b>19.11</b>               | 22.76        | 17.86              |
| Electricity   | <b>6.87</b>                | 6.89         | 5.66               |
| Rent [*]  | <b>14.22</b>               | 16.05        | 11.01              |
| Legal and professional  | <b>8.42</b>                | 9.52         | 5.17               |
| Telephone and postage   | <b>6.18</b>                | 6.38         | 4.92               |
| Travelling and conveyance   | <b>3.05</b>                | 5.75         | 3.56               |
| Printing and stationery   | <b>3.91</b>                | 3.04         | 2.64               |
| Repairs and Maintenance:  |                            |              |                    |
| Computers   | <b>1.11</b>                | 1.84         | 1.31               |
| Vehicles  | <b>0.98</b>                | 1.33         | 1.09               |
| Building  | <b>0.84</b>                | 0.62         | 6.64               |
| Others  | <b>1.90</b>                | 3.57         | 1.89               |
| Insurance expenses  | <b>1.38</b>                | 2.06         | 1.05               |
| Security expenses   | <b>3.49</b>                | 2.25         | 1.85               |
| Rate & Taxes  | <b>15.57</b>               | 0.38         | 0.71               |
| Freight outward   | <b>0.10</b>                | 1.02         | 1.26               |
| Office expenses   | <b>1.62</b>                | 1.74         | 4.30               |
| Net Loss on investments measured at FVTPL   | <b>3.08</b>                | -            | -                  |
| Festival celebration expenses   | <b>0.68</b>                | 1.21         | 0.61               |
| Warranty Claims   | -                          | 0.75         | -                  |
| Tender filling fees   | <b>0.15</b>                | 0.05         | 0.18               |
| Other Bank charges  | <b>0.28</b>                | 1.65         | 1.24               |
| Bad Debts:  |                            |              |                    |
| Bad debts written off   | <b>0.46</b>                | 0.75         | 0.36               |
| Impairment allowances   | -                          | 1.54         | -                  |
|   | <b>0.46</b>                | 2.29         | 0.36               |
| Less: Transferred from impairment allowances  | -                          | -            | -                  |
|   | <b>0.46</b>                | 2.29         | 0.36               |
| Donation  | <b>8.66</b>                | 1.10         | 0.15               |
| Miscellaneous Expenses [**]   | <b>7.95</b>                | 7.41         | 3.51               |
| <b>Total</b>  | <b>110.01</b>              | <b>99.66</b> | <b>76.97</b>       |
| [*] The Company has taken various residential/office premises under operating lease or leave and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no sub-leases. The lease payments recognised under "Rent Expenses" are - |                            |              |                    |
| [**] Miscellaneous Expenses include:  |                            |              |                    |
| a Expenditure on Corporate Social Responsibility [CSR] Activities as required u/s 135 of the Companies Act, 2013.   | <b>1.15</b>                | 3.33         | 1.14               |
| b Payment to the Statutory Auditors [excluding Service Tax]:  | -                          | -            | -                  |
| i As Auditor  | <b>0.95</b>                | 0.80         | 0.10               |
| ii Out of Pocket Expenses - Previous Auditor  | <b>0.15</b>                | -            | -                  |
| iii Total   | <b>1.10</b>                | 0.80         | 0.10               |
| <b>Note: 37 - Tax Expenses:</b>   |                            |              |                    |
| <b>The major components of income tax expense are:</b>  |                            |              |                    |
| <b>A Statement of profit and loss:</b>  |                            |              |                    |
| <b>Profit or loss section:</b>  |                            |              |                    |
| <b>Current income tax:</b>  |                            |              |                    |
| i Current income tax charge   | <b>91.20</b>               | 58.87        | 64.97              |
| ii Adjustments in respect of current income tax of previous year  | -                          | -            | (3.12)             |
|   | <b>91.20</b>               | 58.87        | 61.85              |
| <b>Deferred tax:</b>  |                            |              |                    |
| Relating to origination and reversal of temporary differences [Refer Note-8]  | <b>(15.73)</b>             | 2.32         | (5.81)             |
| <b>Tax expense reported in the statement of profit or loss</b>  | <b>75.47</b>               | 61.19        | 56.04              |
| <b>OCI Section:</b>   |                            |              |                    |
| Tax related to items recognised in OCI during in the year:  |                            |              |                    |
| Net loss/(gain) on remeasurements of defined benefit plans  | <b>0.14</b>                | 0.41         | (0.59)             |
| Tax charged to OCI  | <b>0.14</b>                | 0.41         | (0.59)             |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |  |  |              |   |             |             |                            |
|--|--|--|--------------|---|-------------|-------------|----------------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS  |  |  |              |   |             |             |                            |
|  |  | INR Million                                    |              |   |             |             |                            |
|  |  | Year ended March 31                            |              |   |             |             |                            |
|  |  | 2018   | 2017         | 2016<br>[Proforma]  |             |             |                            |
| <b>B</b>   | Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate: |  |              |   |             |             |                            |
|  | Profit before tax  | 199.58   | 211.08       | 159.82  |             |             |                            |
|  | Enacted Tax Rate in India (%)  | 0.35   | 0.35         | 0.35  |             |             |                            |
|  | Expected Tax Expenses  | 69.07  | 73.05        | 55.31   |             |             |                            |
|  | Adjustments for:   |  |              |   |             |             |                            |
|  | Tax effect due to non-taxable income for tax purposes  | (17.21)  | (16.24)      | (1.39)  |             |             |                            |
|  | Effect of non-deductible expenses  | 38.69  | 5.62         | 7.84  |             |             |                            |
|  | Effect of lower tax rate on specified income   | (0.16)   | (0.23)       | (0.10)  |             |             |                            |
|  | Effect of additional deductions in taxable income  | -  | (1.72)       | -   |             |             |                            |
|  | Others   | 0.81   | (1.62)       | 3.31  |             |             |                            |
|  | Total  | 22.13  | (14.18)      | 9.66  |             |             |                            |
|  | <b>Tax Expenses as per Statement of Profit and Loss [Current tax]</b>                        | <b>91.20</b>                                   | <b>58.87</b> | <b>64.97</b>  |             |             |                            |
| <b>Note: 38 - Calculation of Earnings per Equity Share [EPS]:</b>  |  |  |              |   |             |             |                            |
| The numerators and denominators used to calculate the basic and diluted EPS are as follows:  |  |  |              |   |             |             |                            |
| <u>Based on the basic and weighted average number of equity shares [*]:</u>  |  |  |              |   |             |             |                            |
| A  | Profit attributable to Shareholders  | INR Million                                    | 124.11       | 149.89  | 103.78      |             |                            |
| B  | Basic and weighted average number of Equity shares outstanding during the year               | Numbers  | 28,026,772   | 28,026,710  | 28,026,710  |             |                            |
| C  | Nominal value of equity share  | INR  | 10           | 10.00   | 10.00       |             |                            |
| D  | Basic & Diluted EPS  | INR  | 4.43         | 5.35  | 3.70        |             |                            |
| [*] Note:  |  |  |              |   |             |             |                            |
| The company has issued Bonus shares during the year 2018-19 in the ratio of 3 Bonus Equity Shares for 1 Equity shares held on the record date. Accordingly, the company has allotted 2,10,37,110 Bonus Equity shares.  |  |  |              |   |             |             |                            |
| The Earning Per Share, as stated above, has been adjusted after giving effect of the total number of Bonus Shares issued by the company as mentioned above.  |  |  |              |   |             |             |                            |
| <b>Note: 39 - Segment Information:</b>   |  |  |              |   |             |             |                            |
| The company has generated revenue from following business segments:  |  |  |              |   |             |             |                            |
| a Bus Operations   |  |  |              |   |             |             |                            |
| b Taxi Operations  |  |  |              |   |             |             |                            |
| c Cargo and Parcel Income  |  |  |              |   |             |             |                            |
| d Canteen Sales and  |  |  |              |   |             |             |                            |
| e Advertisement income   |  |  |              |   |             |             |                            |
| During the year ended 31st March, 2018, the total revenue and profits generated from segments - Taxi Operations, Cargo and Parcel income, Canteen Sales and Advertisement income was individually less than 10% of total revenue and total profits. Also, total revenue and loss from sale of stores and spares is less than 10% of absolute value of the combined results of all segments. Further, the company primarily operates in India. Accordingly, no additional disclosure are required under segment reporting for business and geographical segments. |  |  |              |   |             |             |                            |
| <b>Note: 40 - Related Party Transactions:</b>  |  |  |              |   |             |             |                            |
| <b>A Name of the Related Parties and Nature of the Related Party Relationship:</b>   |  |  |              |   |             |             |                            |
| <b>a Subsidiary / Associates Companies:</b>  |  |  |              |   |             |             |                            |
| Chartered Bus Pvt. Ltd. (Formerly known as Chartered Cabs Pvt. Ltd.)   |  |  |              |   |             |             |                            |
| Chartered Marbles Pvt. Ltd.  |  |  |              |   |             |             |                            |
| Chartered Bike Pvt. Ltd. (Formerly known as Nextbike One Pvt. Ltd.)  |  |  |              |   |             |             |                            |
| Rise Auto Pvt. Ltd.  |  |  |              |   |             |             |                            |
| Chartered Autozone Pvt. Ltd.   |  |  |              |   |             |             |                            |
| <b>b Key Managerial Personnel:</b>   |  |  |              |   |             |             |                            |
| Pankaj Kumar Gandhi Managing Director  |  |  |              |   |             |             |                            |
| Alka Gandhi Director & Wife of Managing Director   |  |  |              |   |             |             |                            |
| Kinjal Gandhi Director & Daughter of Managing Director   |  |  |              |   |             |             |                            |
| Sanyam Gandhi Director [ w.e.f. March 17, 2018] & Son of Managing Director   |  |  |              |   |             |             |                            |
| Deen Bandhu Gaggar Chief Financial Officer [w.e.f. March 17, 2018]   |  |  |              |   |             |             |                            |
| Ranveer Singh Company Secretary [till Jan 18, 2018]  |  |  |              |   |             |             |                            |
| Nirav Patel Company Secretary [w.e.f. March 17, 2018]  |  |  |              |   |             |             |                            |
| <b>c Enterprises significantly influenced by Directors and/or their relatives:</b>   |  |  |              |   |             |             |                            |
| Raman Holding Pvt. Ltd.  |  |  |              |   |             |             |                            |
| Chartered Greentech Pvt. Ltd. (Formerly known as Merisuraksha Assurance Brokers Pvt. Ltd.)   |  |  |              |   |             |             |                            |
| Chartered Nextgen Solutions Pvt. Ltd. (Formerly known as Traffilog India Pvt. Ltd.)  |  |  |              |   |             |             |                            |
| Chartered Auto Components Pvt. Ltd.  |  |  |              |   |             |             |                            |
| <b>B Transactions with Related Parties:</b>  |  |  |              |   |             |             |                            |
| The following transactions were carried out with the related parties in the ordinary course of business and at arm's length:   |  |  |              |   |             |             |                            |
| <b>a</b> Details relating to parties referred to in Note 40-A [a & c]  |  |  |              |   |             |             |                            |
|  |  | <b>Value of the Transactions [INR Million]</b> |              |   |             |             |                            |
|  |  | <b>Subsidiary/ Associate Companies</b>         |              | <b>Enterprises significantly influenced by Directors and/or their relatives</b> |             |             |                            |
|  |  | <b>Year ended March 31</b>                     |              |   |             |             |                            |
| <u>Nature of Transactions</u>  |  | <b>2018</b>                                    | <b>2017</b>  | <b>2016<br/>[Proforma]</b>  | <b>2018</b> | <b>2017</b> | <b>2016<br/>[Proforma]</b> |
| <b>[i] Purchases:</b>  |  |  |              |   |             |             |                            |
| <b>Goods:</b>  |  |  |              |   |             |             |                            |
| Chartered Nextgen Solutions Pvt. Ltd.  |  | -  | -            | -   | -           | -           | 0.06                       |
| Chartered Auto Components Pvt. Ltd.  |  | -  | -            | 1.02  | 1.99        | 0.78        | -                          |
| Chartered Autozone Pvt. Ltd.   |  | 1.71   | 2.01         | 5.04  | -           | -           | -                          |
| Total  |  | 1.71   | 2.01         | 6.06  | 1.99        | 0.78        | 0.06                       |
| <b>Services:</b>   |  |  |              |   |             |             |                            |
| Chartered Auto Components Pvt. Ltd.  |  | -  | -            | -   | -           | 0.75        | -                          |
| Total  |  | -  | -            | -   | -           | 0.75        | -                          |
| <b>Rent Income:</b>  |  |  |              |   |             |             |                            |
| Raman Holding Pvt. Ltd.  |  | -  | -            | -   | -           | -           | 0.18                       |
| Total  |  | -  | -            | -   | -           | -           | 0.18                       |
| <b>Reimbursement of expenses paid:</b>   |  |  |              |   |             |             |                            |
| Chartered Bus Pvt. Ltd.  |  | 0.10   | 1.79         | -   | -           | -           | 1.36                       |
| Total  |  | 0.10   | 1.79         | -   | -           | -           | 1.36                       |
| <b>Property, Plant and Equipments:</b>   |  |  |              |   |             |             |                            |
| Chartered Autozone Pvt. Ltd.   |  | -  | 2.50         | -   | -           | -           | -                          |
| Chartered Bus Pvt. Ltd.  |  | 4.53   | 4.36         | -   | -           | -           | 12.36                      |
| Total  |  | 4.53   | 6.86         | -   | -           | -           | 12.36                      |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 40 - Related Party Transactions-Continued:**

| Nature of Transactions                           | Value of the Transactions [INR Million] |        |                    |  |       |                    |
|--|---|--------|--------------------|--|-------|--------------------|
|  | Subsidiary/ Associate Companies         |        |                    | Enterprises significantly influenced by Directors and/or their relatives |       |                    |
|  | Year ended March 31                     |        |                    |  |       |                    |
|  | 2018                                    | 2017   | 2016<br>[Proforma] | 2018   | 2017  | 2016<br>[Proforma] |
| <b>[ii] Sales:</b>                               |   |        |                    |  |       |                    |
| <b>Property, Plant and Equipments:</b>           |   |        |                    |  |       |                    |
| Chartered Bike Pvt Ltd                           | 0.24                                    | -      | -                  | -  | -     | -                  |
| Total  | 0.24                                    | -      | -                  | -  | -     | -                  |
| <b>Goods:</b>                                    |   |        |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                     | 0.002                                   | 0.45   | 1.62               | -  | -     | -                  |
| Chartered Bus Pvt. Ltd.                          | -                                       | -      | 12.11              | -  | -     | -                  |
| Chartered Nextgen Solutions Pvt. Ltd.            | -                                       | -      | -                  | -  | 0.02  | -                  |
| Chartered Auto Components Pvt Ltd                | -                                       | -      | -                  | 2.54   | -     | -                  |
| Total  | 0.002                                   | 0.45   | 13.72              | 2.54   | 0.02  | -                  |
| <b>Reimbursement of exp. recovered:</b>          |   |        |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                     | -                                       | 0.07   | -                  | -  | -     | -                  |
| Chartered Nextgen Solutions Pvt. Ltd.            | -                                       | -      | -                  | -  | 0.02  | -                  |
| Chartered Bike Pvt. Ltd.                         | -                                       | 1.64   | -                  | -  | -     | 0.02               |
| Total  | -                                       | 1.71   | -                  | -  | 0.02  | 0.02               |
| <b>[iii] Investments:</b>                        |   |        |                    |  |       |                    |
| <b>Purchases/ Subscription to Share Capital:</b> |   |        |                    |  |       |                    |
| Chartered Bike Pvt. Ltd.                         | -                                       | 7.33   | -                  | -  | -     | -                  |
| Total  | -                                       | 7.33   | -                  | -  | -     | -                  |
| <b>Redemption of Investments:</b>                |   |        |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                          | -                                       | 0.25   | -                  | -  | -     | -                  |
| Total  | -                                       | 0.25   | -                  | -  | -     | -                  |
| <b>[iv] Finance:</b>                             |   |        |                    |  |       |                    |
| <b>Inter Corporate Loans taken:</b>              |   |        |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                          | -                                       | -      | -                  | 1.78   | 3.79  | 26.60              |
| Chartered Auto Components Pvt. Ltd.              | -                                       | -      | -                  | 8.35   | -     | -                  |
| Chartered Autozone Pvt Ltd                       | 9.81                                    | -      | -                  | -  | -     | -                  |
| Chartered Bus Pvt Ltd                            | 8.96                                    | -      | -                  | -  | -     | -                  |
| Total  | 18.76                                   | -      | -                  | 10.13  | 3.79  | 26.60              |
| <b>Inter Corporate Loans repaid:</b>             |   |        |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                          | -                                       | -      | -                  | 0.07   | 3.79  | 26.60              |
| Chartered Auto Components Pvt Ltd                | -                                       | -      | -                  | 8.01   | -     | -                  |
| Chartered Autozone Pvt Ltd                       | 9.81                                    | -      | -                  | -  | -     | -                  |
| Chartered Bus Pvt Ltd                            | 8.96                                    | -      | -                  | -  | -     | -                  |
| Total  | 18.76                                   | -      | -                  | 8.08   | 3.79  | 26.60              |
| <b>Inter Corporate Loans given:</b>              |   |        |                    |  |       |                    |
| Chartered Auto Components Pvt. Ltd.              | -                                       | -      | -                  | 11.98  | 21.38 | 10.32              |
| Chartered Autozone Pvt. Ltd.                     | 34.08                                   | 54.75  | -                  | -  | -     | 65.58              |
| Chartered Bus Pvt. Ltd.                          | 4.06                                    | 33.55  | -                  | -  | -     | 33.12              |
| Chartered Bike Pvt. Ltd.                         | 55.82                                   | 32.53  | -                  | -  | -     | -                  |
| Chartered Marbles Pvt. Ltd.                      | 5.50                                    | 2.85   | -                  | -  | -     | 6.30               |
| Raman Holding Pvt Ltd                            | -                                       | -      | -                  | 0.33   | -     | -                  |
| Rise Auto Pvt Ltd                                | 4.45                                    | -      | -                  | -  | -     | -                  |
| Total  | 103.90                                  | 123.68 | -                  | 12.31  | 21.38 | 115.32             |
| <b>Inter Corporate Loans received back:</b>      |   |        |                    |  |       |                    |
| Chartered Auto Components Pvt. Ltd.              | -                                       | -      | -                  | 11.98  | 21.38 | 10.32              |
| Chartered Autozone Pvt. Ltd.                     | 34.08                                   | 54.75  | -                  | -  | -     | 65.58              |
| Chartered Bus Pvt. Ltd.                          | 1.69                                    | 33.55  | -                  | -  | -     | 33.12              |
| Chartered Bike Pvt. Ltd.                         | 30.89                                   | 32.53  | -                  | -  | -     | -                  |
| Chartered Marbles Pvt. Ltd.                      | -                                       | 4.00   | -                  | -  | -     | 5.15               |
| Raman Holding Pvt Ltd                            | -                                       | -      | -                  | 0.33   | -     | -                  |
| Rise Auto Pvt Ltd                                | 0.05                                    | -      | -                  | -  | -     | -                  |
| Total  | 66.70                                   | 124.83 | -                  | 12.31  | 21.38 | 114.17             |
| <b>Interest expenses:</b>                        |   |        |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                          | -                                       | -      | -                  | 0.12   | -     | -                  |
| Chartered Auto Components Pvt. Ltd.              | -                                       | -      | -                  | 0.002  | -     | -                  |
| Chartered Bus Pvt. Ltd.                          | 0.21                                    | -      | -                  | -  | -     | -                  |
| Total  | 0.21                                    | -      | -                  | 0.12   | -     | -                  |
| <b>Interest income:</b>                          |   |        |                    |  |       |                    |
| Chartered Autozone Pvt. Ltd.                     | 0.45                                    | -      | -                  | -  | -     | -                  |
| Chartered Bike Pvt. Ltd.                         | 0.74                                    | -      | -                  | -  | -     | -                  |
| Chartered Marbles Pvt. Ltd.                      | 0.35                                    | -      | -                  | -  | -     | -                  |
| Rise Auto Pvt Ltd                                | 0.03                                    | -      | -                  | -  | -     | -                  |
| Total  | 1.57                                    | -      | -                  | -  | -     | -                  |
| <b>[v] Outstanding:</b>                          |   |        |                    |  |       |                    |
| <b>Payable:</b>                                  |   |        |                    |  |       |                    |
| Raman Holding Pvt. Ltd.                          | -                                       | -      | -                  | 1.82   | -     | -                  |
| Total  | -                                       | -      | -                  | 1.82   | -     | -                  |
| <b>Receivable:</b>                               |   |        |                    |  |       |                    |
| Chartered Bus Pvt. Ltd.                          | 2.18                                    | -      | -                  | -  | -     | -                  |
| Chartered Marbles Pvt. Ltd.                      | 5.82                                    | -      | -                  | -  | -     | 1.15               |
| Chartered Bike Pvt. Ltd.                         | 25.59                                   | -      | -                  | -  | -     | -                  |
| Rise Auto Pvt. Ltd.                              | 4.43                                    | -      | -                  | -  | -     | -                  |
| Chartered Autozone Pvt. Ltd.                     | 0.42                                    | -      | -                  | -  | -     | -                  |
| Chartered Auto Components Pvt. Ltd.              | -                                       | -      | -                  | 2.01   | -     | -                  |
| Total  | 38.44                                   | -      | -                  | 2.01   | -     | 1.15               |
| <b>Outstanding Guarantees:</b>                   |   |        |                    |  |       |                    |
| Chartered Bike Pvt. Ltd.                         | 10.00                                   | -      | -                  | -  | -     | -                  |
| Total  | 10.00                                   | -      | -                  | -  | -     | -                  |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  |  |   |                      |                    |
|---|--|---|----------------------|--------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS               |  |   |                      |                    |
| Note: 40 - Related Party Transactions-Continued:  |  |   |                      |                    |
| a   | Details relating to parties referred to in Note 40-A [b] are as under:   | Value of the Transactions [INR Million] |                      |                    |
|   |  | Key Managerial Personnel                |                      |                    |
|   |  | Year ended March 31                     |                      |                    |
|   |  | 2018                                    | 2017                 | 2016<br>[Proforma] |
| <b>[i] Purchases:</b>   |  |   |                      |                    |
| <b>Services:</b>  |  |   |                      |                    |
|   | Sanyam Gandhi  | 12.08                                   | -                    | -                  |
|   | Total  | 12.08                                   | -                    | -                  |
| <b>Property, Plant and Equipments:</b>  |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 1.20                                    | -                    | -                  |
|   | Total  | 1.20                                    | -                    | -                  |
| <b>Rent expenses:</b>   |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 0.90                                    | 3.00                 | 3.00               |
|   | Alka Gandhi  | 1.04                                    | 1.04                 | 1.16               |
|   | Total  | 1.94                                    | 4.04                 | 4.16               |
| <b>[ii] Finance:</b>  |  |   |                      |                    |
| <b>Unsecured Loan from directors:</b>   |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 200.49                                  | 175.45               | 93.09              |
|   | Alka Gandhi  | 70.58                                   | 172.28               | 283.40             |
|   | Kinjal Gandhi  | 26.78                                   | 6.57                 | 18.41              |
|   | Total  | 297.85                                  | 354.29               | 394.90             |
| <b>Unsecured Loan from directors repaid:</b>  |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 189.09                                  | 190.51               | 78.03              |
|   | Alka Gandhi  | 70.16                                   | 186.26               | 269.43             |
|   | Kinjal Gandhi  | 13.04                                   | 9.91                 | 15.06              |
|   | Total  | 272.28                                  | 386.68               | 362.52             |
| <b>Loan Given:</b>  |  |   |                      |                    |
|   | Sanyam Gandhi  | -                                       | 12.69                | -                  |
|   | Total  | -                                       | 12.69                | -                  |
| <b>Loan received back:</b>  |  |   |                      |                    |
|   | Sanyam Gandhi  | -                                       | 12.69                | -                  |
|   | Total  | -                                       | 12.69                | -                  |
| <b>Equity Shares Issued [incl. securities premium] :</b>  |  |   |                      |                    |
|   | Alka Gandhi  | 25.04                                   | -                    | -                  |
|   | Total  | 25.04                                   | -                    | -                  |
| <b>Interest expenses:</b>   |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 2.81                                    | 1.46                 | 0.54               |
|   | Alka Gandhi  | 0.72                                    | 0.75                 | 1.72               |
|   | Kinjal Gandhi  | 0.84                                    | 0.16                 | 0.23               |
|   | Total  | 4.36                                    | 2.37                 | 2.49               |
| <b>[iii] Investments:</b>   |  |   |                      |                    |
| <b>Purchases/ Subscription to Share Capital:</b>  |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | -                                       | 0.04                 | -                  |
|   | Alka Gandhi  | -                                       | 0.04                 | -                  |
|   | Total  | -                                       | 0.08                 | -                  |
| <b>[iv] Outstanding:</b>  |  |   |                      |                    |
| <b>Payable:</b>   |  |   |                      |                    |
|   | Pankaj Kumar Gandhi  | 13.93                                   | -                    | 15.06              |
|   | Alka Gandhi  | 1.07                                    | -                    | 13.98              |
|   | Kinjal Gandhi  | 14.49                                   | -                    | 3.34               |
|   | Total  | 29.49                                   | -                    | 32.39              |
| <b>b Details of Remuneration paid to persons referred to in Note 40 (A) (b) above:</b>  |  |   | Year ended March 31, |                    |
| <b>Remuneration:</b>  |  | 2018                                    | 2017                 | 2016               |
| (i) Salaries and other employee benefits to Managing Director, Director and other officers                                    |  | 29.86                                   | 12.78                | 8.4                |
| (ii) Outstanding payable to above   |  | 0.20                                    | 0.02                 | -                  |
| <b>Note: 41 - Details of Loans given, Investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013:</b> |  |   |                      |                    |
| A   | Details of loans and investments are given under the respective heads.   |   |                      |                    |
| B   | Corporate guarantees given by the Company [#]:   |   |                      |                    |
|   |  | INR Million                             |                      |                    |
|   |  | As at                                   |                      |                    |
|   |  | March 31, 2018                          | March 31, 2017       | March 31, 2016     |
|   |  |   |                      | [Proforma]         |
| <b>Subsidiary Company:</b>  |  |   |                      |                    |
|   | Chartered Bike Pvt. Ltd.   | 10.00                                   | -                    | -                  |
|   | <b>Total</b>   | 10.00                                   | -                    | -                  |
| (#)   | Corporate guarantees which are outstanding at the end of the respective financial year, given for business purpose.  |   |                      |                    |
| <b>Note: 42 - Financial Instruments:</b>  |  |   |                      |                    |
| <b>A Fair values hierarchy:</b>   | Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:<br>Level 1: quoted prices [unadjusted] in active markets for financial instruments.<br>Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.<br>Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. |   |                      |                    |
| <b>B Financial assets and liabilities measured at fair value - recurring fair value measurements:</b>                         | INR Million  |   |                      |                    |
|   | As at March 31, 2018   |   |                      |                    |
|   | Level 1  | Level 2                                 | Level 3              | Total              |
| <b>Financial assets:</b>  |  |   |                      |                    |
| <b>Financial Investments at FVTPL:</b>  |  |   |                      |                    |
|   | Mutual Funds   | 113.94                                  | -                    | 113.94             |
|   | Quoted equity instruments  | 34.23                                   | -                    | 34.23              |
|   | <b>Total financial assets</b>  | 148.17                                  | -                    | 148.17             |
| <b>Financial liabilities</b>  |  | -                                       | -                    | -                  |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]   |                                |          |                |               |
|--|--------------------------------|----------|----------------|---------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS  |                                |          |                |               |
| <b>Note: 42 - Financial Instruments [continued]:</b>   |                                |          |                |               |
|  | INR Million                    |          |                |               |
|  | As at March 31, 2017           |          |                |               |
|  | Level 1                        | Level 2  | Level 3        | Total         |
| <b>Financial assets:</b>   |                                |          |                |               |
| <b>Financial Investments at FVTPL:</b>   |                                |          |                |               |
| Mutual Funds   | 94.53                          | -        | -              | 94.53         |
| Quoted equity instruments  | 51.54                          | -        | -              | 51.54         |
| <b>Total financial assets</b>  | <b>146.07</b>                  | <b>-</b> | <b>-</b>       | <b>146.07</b> |
| <b>Financial liabilities</b>   | -                              | -        | -              | -             |
|  | As at March 31, 2016[Proforma] |          |                |               |
|  | Level 1                        | Level 2  | Level 3        | Total         |
| <b>Financial assets:</b>   |                                |          |                |               |
| <b>Financial Investments at FVTPL:</b>   |                                |          |                |               |
| Mutual Funds   | 56.35                          | -        | -              | 56.35         |
| Quoted equity instruments  | 42.98                          | -        | -              | 42.98         |
| <b>Total financial assets</b>  | <b>99.33</b>                   | <b>-</b> | <b>-</b>       | <b>99.33</b>  |
| <b>Financial liabilities</b>   | -                              | -        | -              | -             |
| <b>C Fair value of instruments measured at amortised cost:</b>   |                                |          |                |               |
| <b>Financial Assets:</b>   |                                |          |                |               |
| The carrying amounts of trade receivables, Loans and advances to related parties and other financial assets [other than derivatives], cash and cash equivalents are considered to be the approximately equal to the fair values.   |                                |          |                |               |
| <b>Financial Liabilities:</b>  |                                |          |                |               |
| Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.   |                                |          |                |               |
| <b>Note: 43 - Financial Risk Management:</b>   |                                |          |                |               |
| <b>A Financial instruments by category:</b>  |                                |          |                |               |
|  | INR Million                    |          |                |               |
|  | As at March 31, 2018           |          |                |               |
|  | FVTPL                          | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>   |                                |          |                |               |
| Investments:   |                                |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates]  | 34.23                          | -        | -              | 34.23         |
| Mutual Funds   | 113.94                         | -        | -              | 113.94        |
| Non Current Other Financial Assets   | -                              | -        | 5.49           | 5.49          |
| Trade receivables  | -                              | -        | 233.09         | 233.09        |
| Cash and Cash Equivalents  | -                              | -        | 44.01          | 44.01         |
| Current Loans  | -                              | -        | 38.43          | 38.43         |
| Other Current Financial Assets   | -                              | -        | 174.82         | 174.82        |
| <b>Total</b>   | <b>148.17</b>                  | <b>-</b> | <b>495.84</b>  | <b>644.01</b> |
| <b>Financial liabilities:</b>  |                                |          |                |               |
| Borrowings [including current maturities and interest accrued]   | -                              | -        | 590.35         | 590.35        |
| Trade payables   | -                              | -        | 11.23          | 11.23         |
| Non Current Other Financial Liabilities  | -                              | -        | 9.91           | 9.91          |
| Other Current Financial Liabilities  | -                              | -        | 105.56         | 105.56        |
| <b>Total</b>   | <b>-</b>                       | <b>-</b> | <b>717.05</b>  | <b>717.05</b> |
|  | As at March 31, 2017           |          |                |               |
|  | FVTPL                          | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>   |                                |          |                |               |
| Investments:   |                                |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates]  | 51.54                          | -        | -              | 51.54         |
| Mutual funds   | 94.53                          | -        | -              | 94.53         |
| Non Current Other Financial Assets   | -                              | -        | 15.85          | 15.85         |
| Trade receivables  | -                              | -        | 197.45         | 197.45        |
| Cash and Cash Equivalents  | -                              | -        | 74.63          | 74.63         |
| Other Current Financial Assets   | -                              | -        | 4.18           | 4.18          |
| <b>Total</b>   | <b>146.07</b>                  | <b>-</b> | <b>292.11</b>  | <b>438.18</b> |
| <b>Financial liabilities:</b>  |                                |          |                |               |
| Borrowings (including current maturities and interest accrued)   | -                              | -        | 618.08         | 618.08        |
| Trade payables   | -                              | -        | 9.21           | 9.21          |
| Non Current Other Financial Liabilities  | -                              | -        | 5.00           | 5.00          |
| Other Current Financial Liabilities  | -                              | -        | 61.93          | 61.93         |
| <b>Total</b>   | <b>-</b>                       | <b>-</b> | <b>694.22</b>  | <b>694.22</b> |
|  | As at March 31, 2016[Proforma] |          |                |               |
|  | FVTPL                          | FVOCI    | Amortised Cost | Total         |
| <b>Financial assets:</b>   |                                |          |                |               |
| Investments:   |                                |          |                |               |
| Equity instruments [other than investment in Equity of Subsidiaries and associates]  | 42.98                          | -        | -              | 42.98         |
| Mutual funds   | 56.35                          | -        | -              | 56.35         |
| Non Current Other Financial Assets   | -                              | -        | 12.56          | 12.56         |
| Trade receivables  | -                              | -        | 145.30         | 145.30        |
| Cash and Cash Equivalents  | -                              | -        | 61.37          | 61.37         |
| Current Loans  | -                              | -        | 1.15           | 1.15          |
| Other Current Financial Assets   | -                              | -        | 3.02           | 3.02          |
| <b>Total</b>   | <b>99.33</b>                   | <b>-</b> | <b>223.40</b>  | <b>322.73</b> |
| <b>Financial liabilities:</b>  |                                |          |                |               |
| Borrowings (including current maturities and interest accrued)   | -                              | -        | 547.80         | 547.80        |
| Trade payables   | -                              | -        | 6.80           | 6.80          |
| Other Current Financial Liabilities  | -                              | -        | 31.65          | 31.65         |
| <b>Total</b>   | <b>-</b>                       | <b>-</b> | <b>586.25</b>  | <b>586.25</b> |
| <b>B Risk Management:</b>  |                                |          |                |               |
| The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.   |                                |          |                |               |
| The Company's risk management is managed in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. |                                |          |                |               |
| The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:  |                                |          |                |               |
| <b>a Credit risk:</b>  |                                |          |                |               |
| Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The company is exposed to credit risk from loans and advances to related Investments at Amortised Cost are strategic investments in the normal course of business of the company.                    |                                |          |                |               |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 43 - Financial Risk Management-Continued:**

Bank deposits : the company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks Hence, there is no significant credit risk on such deposits.

Loans to related parties are given for business purposes. The company reassesses the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no event of defaults.

Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Further, majority of the customers are either Government agencies or its Special Purpose Vehicles. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments.

The history of trade receivables shows an allowance for bad and doubtful debts of INR 1.54 Million as at March 31, 2018 [F.Y. 2016-17 - INR 1.54 Million, F.Y. 2015-16 - INR Nil]. The Company has made allowance of INR 0.46 Million [F.Y. 2016-17 - INR 2.29 Million, F.Y. 2015-16 - INR 0.36 Million], against trade receivables of INR 233.09 Million [F.Y. 2016-17 - INR 197.45 Million, F.Y. 2015-16 - INR 145.30 Million].

| Class of financial assets: carrying amounts | INR Million    |                |                              |
|---|----------------|----------------|------------------------------|
|   | As at          |                |                              |
|   | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Security deposit                            | 3.38           | 13.83          | 12.56                        |
| Other Financial Assets                      | 2.11           | 2.02           | -                            |
| Trade receivables                           | 233.09         | 197.45         | 145.30                       |
| Cash and Cash Equivalents                   | 44.01          | 74.63          | 61.37                        |
| Investment in Mutual Funds                  | 113.94         | 94.53          | 56.35                        |
| Investment in Equity Securities             | 34.23          | 51.54          | 42.98                        |
| Current Loans                               | 38.43          | -              | 1.15                         |
| Other Current Financial Assets              | 174.82         | 4.18           | 3.02                         |

The ageing of the trade receivable is as under:

| Period (in days)   | INR Million    |                |                              |
|--------------------|----------------|----------------|------------------------------|
|                    | As at          |                |                              |
|                    | March 31, 2018 | March 31, 2017 | March 31, 2016<br>[Proforma] |
| Not due            | 174.44         | 164.79         | 111.88                       |
| 1 - 30 days        | 6.53           | 23.27          | 14.95                        |
| 31 - 90 days       | 9.12           | 1.41           | 16.76                        |
| 91 - 180 days      | 7.22           | 3.96           | 0.82                         |
| More than 180 days | 35.79          | 4.01           | 0.89                         |

**b Liquidity risk:**

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

c Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|  | INR Million                           |               |               |               |               |
|--|---------------------------------------|---------------|---------------|---------------|---------------|
|  | < 1 year                              | 1-2 year      | 2-3 year      | > 3 years     | Total         |
|  | <b>As at March 31, 2018</b>           |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |                                       |               |               |               |               |
| Borrowings (including current maturities and interest) | 314.27                                | 153.04        | 75.85         | 47.20         | 590.35        |
| Other non current financial liabilities                | -                                     | -             | -             | 9.91          | 9.91          |
| Trade payable  | 11.23                                 | -             | -             | -             | 11.23         |
| Provision for Expenses                                 | 2.20                                  | -             | -             | -             | 2.20          |
| Employee related payable                               | 22.16                                 | -             | -             | -             | 22.16         |
| Security deposits                                      | 0.27                                  | -             | -             | -             | 0.27          |
| Payable to Statutory Authorities                       | 45.37                                 | -             | -             | -             | 45.37         |
| Payable for Capital Goods                              | 21.25                                 | -             | -             | -             | 21.25         |
| Book Overdraft   | 14.31                                 | -             | -             | -             | 14.31         |
| Bank Guarantees  | 72.44                                 | 33.79         | -             | 5.00          | 111.23        |
| Corporate Guarantees                                   | 10.00                                 | -             | -             | -             | 10.00         |
| <b>Total</b>   | <b>513.50</b>                         | <b>186.83</b> | <b>75.85</b>  | <b>62.11</b>  | <b>838.28</b> |
|  | <b>As at March 31, 2017</b>           |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |                                       |               |               |               |               |
| Borrowings (including current maturities and interest) | 274.64                                | 157.49        | 128.26        | 57.69         | 618.08        |
| Other non current financial liabilities                | -                                     | -             | -             | 5.00          | 5.00          |
| Trade payable  | 9.21                                  | -             | -             | -             | 9.21          |
| Provision for Expenses                                 | 2.55                                  | -             | -             | -             | 2.55          |
| Employee related payable                               | 22.36                                 | -             | -             | -             | 22.36         |
| Security deposits                                      | 0.40                                  | -             | -             | -             | 0.40          |
| Payable to Statutory Authorities                       | 24.89                                 | -             | -             | -             | 24.89         |
| Book Overdraft   | 11.73                                 | -             | -             | -             | 11.73         |
| Bank Guarantees  | 29.74                                 | 43.56         | -             | -             | 73.30         |
| <b>Total</b>   | <b>375.52</b>                         | <b>201.05</b> | <b>128.26</b> | <b>62.69</b>  | <b>767.52</b> |
|  | <b>As at March 31, 2016[Proforma]</b> |               |               |               |               |
| <b>Non-derivative financial liabilities:</b>           |                                       |               |               |               |               |
| Borrowings (including current maturities and interest) | 188.76                                | 130.35        | 110.66        | 118.03        | 547.80        |
| Other non current financial liabilities                | -                                     | -             | -             | -             | -             |
| Trade payable  | 6.80                                  | -             | -             | -             | 6.80          |
| Employee related payable                               | 13.54                                 | -             | -             | -             | 13.54         |
| Security deposits                                      | 0.33                                  | -             | -             | -             | 0.33          |
| Payable to Statutory Authorities                       | 10.35                                 | -             | -             | -             | 10.35         |
| Book Overdraft   | 7.43                                  | -             | -             | -             | 7.43          |
| Bank Guarantees  | 43.86                                 | 7.61          | -             | -             | 51.48         |
| <b>Total</b>   | <b>271.07</b>                         | <b>137.96</b> | <b>110.66</b> | <b>118.03</b> | <b>637.72</b> |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  |                  |                |                        |                           |                        |                           |                        |
|---|------------------|----------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS   |                  |                |                        |                           |                        |                           |                        |
| <b>Note: 43 - Financial Risk Management:-Continued:</b>   |                  |                |                        |                           |                        |                           |                        |
| <b>d Interest rate risk:</b>  |                  |                |                        |                           |                        |                           |                        |
| The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Company does not have significant exposure to the risk of changes in market interest rates as Company's long-term debt obligations are at fixed interest rates.  |                  |                |                        |                           |                        |                           |                        |
| <b>e Price risk:</b>  |                  |                |                        |                           |                        |                           |                        |
| <b>Exposure:</b>  |                  |                |                        |                           |                        |                           |                        |
| The Company's exposure to price risk arises from investments in equity and mutual fund held by the Company and classified in the balance sheet as fair value through profit & loss account. Company manages price risk is done through sensitivity analysis.  |                  |                |                        |                           |                        |                           |                        |
| <b>Sensitivity:</b>   |                  |                |                        |                           |                        |                           |                        |
| The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 10% or decreased by 10% with all other variables held constant.  |                  |                |                        |                           |                        |                           |                        |
| Quoted Investment   | Movement in Rate | INR Million    |                        |                           |                        |                           |                        |
|   |                  | March 31, 2018 |                        | March 31, 2017            |                        | March 31, 2016 [Proforma] |                        |
|   |                  | Impact on PAT  | Impact on Other Equity | Impact on PAT             | Impact on Other Equity | Impact on PAT             | Impact on Other Equity |
| <b>Mutual Funds</b>   |                  |                |                        |                           |                        |                           |                        |
| Increase  | +10.00%          | 11.39          | -                      | 9.45                      | -                      | 5.64                      | -                      |
| Decrease  | -10.00%          | (11.39)        | -                      | (9.45)                    | -                      | (5.64)                    | -                      |
| <b>Equity Instruments</b>   |                  |                |                        |                           |                        |                           |                        |
| Increase  | +10.00%          | 3.42           | -                      | 5.15                      | -                      | 4.30                      | -                      |
| Decrease  | -10.00%          | (3.42)         | -                      | (5.15)                    | -                      | (4.30)                    | -                      |
| <b>Note: 44-Capital Management:</b>   |                  |                |                        |                           |                        |                           |                        |
| The Company's capital management objectives are:  |                  |                |                        |                           |                        |                           |                        |
| a to ensure the Company's ability to continue as a going concern  |                  |                |                        |                           |                        |                           |                        |
| b to provide an adequate return to shareholders   |                  |                |                        |                           |                        |                           |                        |
| c maintain an optimal capital structure to reduce the cost of capital.  |                  |                |                        |                           |                        |                           |                        |
| Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.  |                  |                |                        |                           |                        |                           |                        |
|   |                  | INR Million    |                        |                           |                        |                           |                        |
|   |                  | As at          |                        |                           |                        |                           |                        |
|   |                  | March 31, 2018 | March 31, 2017         | March 31, 2016 [Proforma] |                        |                           |                        |
| <b>1 Total debts to net worth</b>   |                  |                |                        |                           |                        |                           |                        |
| Gross debts   |                  | 587.75         | 614.85                 | 545.67                    |                        |                           |                        |
| Total equity  |                  | 591.85         | 442.97                 | 293.85                    |                        |                           |                        |
| <b>Net debt to equity ratio</b>   |                  | <b>0.99</b>    | 1.39                   | 1.86                      |                        |                           |                        |
| <b>Loan covenants:</b>  |                  |                |                        |                           |                        |                           |                        |
| Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants, based on financial information:  |                  |                |                        |                           |                        |                           |                        |
| - Total Debt to Net Worth must be less than 2.5:1   |                  |                |                        |                           |                        |                           |                        |
| This is in line with the Company's covenants as agreed with Bankers.  |                  |                |                        |                           |                        |                           |                        |
| <b>Note: 45 - First time adoption of Ind AS:</b>  |                  |                |                        |                           |                        |                           |                        |
| The accounting policies set out in the note here have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 [the Company's date of transition].  |                  |                |                        |                           |                        |                           |                        |
| In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies [Accounting Standards] Rules, 2006 [as amended] and other relevant provisions of the Act [Indian GAAP]. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes.      |                  |                |                        |                           |                        |                           |                        |
| <b>Exemptions and exceptions availed:</b>   |                  |                |                        |                           |                        |                           |                        |
| Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.  |                  |                |                        |                           |                        |                           |                        |
| <b>A Deemed cost:</b>   |                  |                |                        |                           |                        |                           |                        |
| Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments required under other Ind AS. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.                                      |                  |                |                        |                           |                        |                           |                        |
| Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.  |                  |                |                        |                           |                        |                           |                        |
| <b>B Leases:</b>  |                  |                |                        |                           |                        |                           |                        |
| Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements. |                  |                |                        |                           |                        |                           |                        |
| <b>C Designation of previously recognised financial instruments:</b>  |                  |                |                        |                           |                        |                           |                        |
| Ind AS 101 allows an entity to designate investments in equity instruments/ Mutual Funds at FVTPL 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 equity investments [other than investment in subsidiaries/ associates] and Mutual Funds.   |                  |                |                        |                           |                        |                           |                        |
| <b>D Estimates:</b>   |                  |                |                        |                           |                        |                           |                        |
| An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error.  |                  |                |                        |                           |                        |                           |                        |
| Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP.   |                  |                |                        |                           |                        |                           |                        |
| <b>E Classification of financial assets:</b>  |                  |                |                        |                           |                        |                           |                        |
| As per the requirements of Ind AS 101, the Company assessed classification of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.  |                  |                |                        |                           |                        |                           |                        |
| <b>F De-recognition of financial assets and liabilities:</b>  |                  |                |                        |                           |                        |                           |                        |
| Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The company has followed such policy.  |                  |                |                        |                           |                        |                           |                        |
| <b>G Business Combinations:</b>   |                  |                |                        |                           |                        |                           |                        |
| The company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations. The company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.   |                  |                |                        |                           |                        |                           |                        |

| CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  |              |                      |                |                             |
|---|--------------|----------------------|----------------|-----------------------------|
| ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS   |              |                      |                |                             |
| Note: 46 - Reconciliation with Indian GAAP [IGAAP]:   |              |                      |                |                             |
|   | No.          | INR Million          |                |                             |
|   |              | As at                |                |                             |
|   |              | March 31, 2017       | March 31, 2016 | April 1, 2016<br>[Proforma] |
| <b>A Reconciliation of equity:</b>  |              |                      |                |                             |
| <b>1 Equity as per IGAAP</b>  |              | <b>392.77</b>        | 282.69         | 165.90                      |
| <b>2 Add [Less]: Adjustments:</b>   |              |                      |                |                             |
| a Fair Valuation adjustments for financial instruments  | <b>1</b>     | <b>(0.10)</b>        | (0.14)         | (0.10)                      |
| b Fair Valuation adjustments on equity investments / Mutual Funds   | <b>2</b>     | <b>49.60</b>         | 16.76          | 27.40                       |
| c Deferred Tax on Ind AS adjustments  | <b>3</b>     | <b>(1.88)</b>        | (0.02)         | (1.86)                      |
| d Adjustments due to Borrowings at amortised cost   | <b>4</b>     | <b>0.80</b>          | 0.82           | 0.75                        |
| e Restatement adjustments [Refer Note 52]   |              | <b>1.77</b>          | (6.26)         | (3.13)                      |
| f Others  |              | <b>0.01</b>          | -              | -                           |
| g Total   |              | <b>50.20</b>         | 11.16          | 23.06                       |
| <b>3 Equity as per Restated Ind AS Financial Statements</b>   |              | <b>442.97</b>        | 293.85         | 188.96                      |
| <b>B Reconciliation of Net Profit for the year ended March 31, 2017 and March 31, 2016 :</b>  |              |                      |                |                             |
|   | No.          | Year ended March 31, |                |                             |
|   |              | 2017                 | 2016           | [Proforma]                  |
| <b>1 Net profit as per IGAAP</b>  |              | <b>110.08</b>        |                | 116.79                      |
| <b>2 Add [Less]: Adjustments in statement of profit and loss</b>  |              |                      |                |                             |
| a Fair Valuation adjustments for financial instruments  | <b>1</b>     | <b>0.04</b>          |                | (0.04)                      |
| b Fair Valuation adjustments on equity investments / Mutual Funds   | <b>2</b>     | <b>32.84</b>         |                | (10.64)                     |
| c Deferred Tax on Ind AS adjustments  | <b>3</b>     | <b>(1.86)</b>        |                | 1.84                        |
| d Actuarial gain / loss on OCI  | <b>5</b>     | <b>0.78</b>          |                | 1.11                        |
| e Other adjustments   | <b>4</b>     | <b>(0.02)</b>        |                | 0.07                        |
| f Total   |              | <b>31.78</b>         |                | (7.66)                      |
| <b>3 Net profit before OCI as per Ind AS</b>  |              | <b>141.86</b>        |                | 109.13                      |
| <b>4 Add [Less]: Adjustments in OCI</b>   |              | <b>(0.78)</b>        |                | (1.11)                      |
| <b>5 Total Comprehensive Income as per Ind AS</b>   |              | <b>141.08</b>        |                | 108.02                      |
| 6 Restatement adjustments [Refer Note 52]   |              | <b>8.03</b>          |                | (3.13)                      |
| <b>7 Total Comprehensive Income as per Restated Ind AS Financial Statements</b>   |              | <b>149.11</b>        |                | 104.89                      |
| <b>1 Fair Valuation adjustments for financial instruments:</b>  |              |                      |                |                             |
| Under Previous GAAP, Security deposits received/ given to various parties are shown at transaction price.   |              |                      |                |                             |
| Under Ind AS, such transactions are discounted to their present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the deposit and its present value is accounted based on the relationship with the parties i.e. Bus Operating Expenses, Rent expenses etc. The unwinding of discount from the date of loan to the transition date is shown as finance income and recognised in "Retained Earnings".   |              |                      |                |                             |
| Consequently, the net impact of INR 0.14 Million has been recognised in retained earnings at the transition date and INR 0.04 Million was recognised in Statement of Profit or loss for the year ended March 31, 2017.  |              |                      |                |                             |
| Consequently, as at the proforma period of April 1, 2015 the net impact of INR 0.10 Million has been recognised in retained earnings and INR 0.04 Million was recognised in Statement of Profit or loss for the year ended March 31, 2016.  |              |                      |                |                             |
| <b>2 Fair Valuation adjustments on equity investments/ Mutual Funds:</b>  |              |                      |                |                             |
| Under previous GAAP, investments in equity shares and Mutual Funds were carried at cost less provision for diminution (other than temporary), wherever applicable.  |              |                      |                |                             |
| Under Ind AS, investments in equity instrument (other than subsidiaries and associates) and Mutual Funds are required to be recognised and measured at fair value through Profit and loss.  |              |                      |                |                             |
| Consequently, the impact of INR 16.76 Million has been recognised in retained earnings at the transition date and INR 32.84 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2017.   |              |                      |                |                             |
| Consequently, as at the proforma period of April 1, 2015 the impact of INR 27.40 Million has been recognised in retained earnings and INR 10.64 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.   |              |                      |                |                             |
| <b>3 Deferred tax on Ind AS adjustments:</b>  |              |                      |                |                             |
| IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. |              |                      |                |                             |
| Consequently, the impact of INR 0.02 Million has been recognised in retained earnings at the transition date and INR 1.86 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2017.   |              |                      |                |                             |
| Consequently, as at the proforma period of April 1, 2015 the impact of INR 1.86 Million has been recognised in retained earnings and INR 1.84 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.   |              |                      |                |                             |
| <b>4 Borrowings:</b>  |              |                      |                |                             |
| Under Previous GAAP, the transaction costs incurred towards origination of borrowings are expensed out in statement of profit of loss in the year in which the said expenses were incurred.   |              |                      |                |                             |
| Under Ind AS, the transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.  |              |                      |                |                             |
| Consequently, the impact of INR Million 0.82 has been recognised in retained earnings at the transition date and INR Million 0.02 were recognised in OCI for the year ended March 31, 2017.   |              |                      |                |                             |
| Consequently, as at the proforma period of April 1, 2015 the impact of INR 0.75 Million has been recognised in retained earnings and INR Million 0.07 Million was recognised in Statement of Profit & Loss Account for the year ended March 31, 2016.   |              |                      |                |                             |
| <b>5 Actuarial loss on defined benefit plan:</b>  |              |                      |                |                             |
| Under previous GAAP, remeasurement of defined benefit plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss.   |              |                      |                |                             |
| Under Ind AS, such remeasurement (excluding the net interest expenses on the net defined benefit liability) of defined benefit plans is recognised in OCI. Consequently, the related tax effect of the same is also recognised in OCI.  |              |                      |                |                             |
| Consequently, the impact has been recognised in retained earnings and Other comprehensive income.   |              |                      |                |                             |
| The above changes do not affect Equity as at the date of transition to Ind AS and as at March 31, 2017.   |              |                      |                |                             |
| <b>Others:</b>  |              |                      |                |                             |
| <b>Statement of cash flows:</b>   |              |                      |                |                             |
| The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.   |              |                      |                |                             |
| <b>Note: 47 - The company has not declared and paid any dividend during the financial year 2015-16, 2016-17 and 2017-18.</b>  |              |                      |                |                             |
| <b>Note: 48 - Accounting Ratios:</b>  |              |                      |                |                             |
| A Return on Net worth:  |              | As at                |                |                             |
|   |              | March 31, 2018       | March 31, 2017 | March 31, 2016 [Proforma]   |
| Net Profit (Total Comprehensive Income) available to Equity Shareholders of the Company   | INR Millions | <b>123.84</b>        | 149.11         | 104.89                      |
| Networth of the Equity Shareholders of the Company  | INR Millions | <b>591.85</b>        | 442.97         | 293.85                      |
| Return to Net worth (%)   | %            | <b>20.92%</b>        | 33.66%         | 35.69%                      |
| <b>B Net Assets Value per Share:</b>  |              |                      |                |                             |
| Networth of the Equity Shareholders of the Company  | INR Millions | <b>591.85</b>        | 442.97         | 293.85                      |
| Total Number of Equity Shares outstanding at the end of the period  | Numbers      | <b>7,012,370</b>     | 6,989,600      | 6,989,600                   |
| Net Assets Value per Share  | INR          | <b>84.40</b>         | 63.38          | 42.04                       |
| Total Number of Equity Shares outstanding at the end of the period [ As adjusted for bonus shares issued in Financial Year 2018-19 and total number of rights shares issued in 2017-18]   |              | <b>28,049,480</b>    |                |                             |
| Net Assets Value per Share [ As adjusted for bonus shares issued in Financial Year 2018-19]   |              | <b>21.10</b>         |                |                             |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS**

**Note: 49 - Capitalisation Statement:**

The details of Capitalisation as at March 31, 2018 is as under:

| Particulars   | Pre-issue as at March | Pre-issue as at March  | Post Issue |
|---|-----------------------|--|------------|
|   | 31, 2018              | 31, 2018 [After adjusting bonus shares issued in FY 2018-19] |            |
| Short Term Debts  | 122.30                | 122.30   | [•]        |
| Long Term Debts (Including current maturities thereof)                            | 465.45                | 465.45   | [•]        |
| Total Debts   | 587.75                | 587.75   | [•]        |
| Shareholders Funds:   |                       |  |            |
| Share Capital   | 70.12                 | 280.49   | [•]        |
| Reserves & Surplus  | 521.73                | 311.36   | [•]        |
| Total Shareholders Funds  | 591.85                | 591.85   | [•]        |
| Long term debts (Including current maturities thereof) to Shareholders fund ratio | 78.64%                | 78.64%   | [•]        |
| Total Debts to Shareholders Fund Ratio  | 99.31%                | 99.31%   | [•]        |

**Note: 50 -** Financial Statements for the previous year ended March 31, 2017 and March 31, 2016 were audited and reported by another firm of Chartered Accountants.

**Note: 51 -** Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current period's classification.

**Note: 52 -** Details of material adjustments made to the audited financial statements:

**Material adjustments to the audited financial statements:**

| Particulars   | [INR Million]                |               |                 |
|---|------------------------------|---------------|-----------------|
|   | For the year ended March 31, |               |                 |
|   | 2018                         | 2017          | 2016 [Proforma] |
| Net profit after tax as per Audited financial statements of the respective year         | 125.77                       | 141.08        | 108.02          |
| Add / Less : Adjustments in respect of -  |                              |               |                 |
| Gratuity Provision [*]  |                              | -0.99         | -0.41           |
| Prior Period items [**]   | -1.93                        | 9.02          | -2.72           |
| Total   | -1.93                        | 8.03          | -3.13           |
| <b>Net profit after tax as per Restated financial statements of the respective year</b> | <b>123.84</b>                | <b>149.11</b> | <b>104.89</b>   |

[\*] The company has not made gratuity provision till the year ended March 31, 2016. The company has recorded cumulative liability towards Gratuity in the financial year 2016-17. Pursuant to this non-compliance of Accounting Standard, an adjustment is made in this Restated Standalone Summary Statements.

[\*\*] The expenses / income recorded in current financial year in respect of income / expenses pertaining to earlier year due to error or omission in the respective financial statements are shown as prior period items in the financial statement. Accordingly, an adjustment is this regard in Restated Standalone Summary Statements.

**Other Non-adjusting items:**

**For the year 2016-17:**

**Auditors' Qualification Report For The Financial Year Ended March 31, 2017:**

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2018:**

**Paragraph 3 of Annexure A of the report:**

The Company has granted unsecured loans to 7 companies covered in the register maintained under section 189 of the Act, and with respect to the same:

i. We report that the company has granted unsecured loans to 7 companies, amounting to INR 116.21 Million [outstanding balance as at 31st March, 2018 - INR 38.44 Million].

**Paragraph 4 of Annexure A of the report:**

In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 of the Act in respect of loans given and guarantees given by the company, the details of the same are as follows:

| Name of the Party                   | Relationship   | Nature of transactions                     | Maximum amount outstanding during the year (INR Million) | Amount outstanding as on 31 <sup>st</sup> March, 2018 (INR Million) |
|-------------------------------------|--|--|--|---|
| Chartered Auto Components Pvt. Ltd. | [Common directorship of Mr. Pankaj Gandhi]                       | Loan given by the company                  | 2.79   | Nil   |
| Chartered Autozone Pvt. Ltd.        | [Common directorship of Mr. Pankaj Gandhi]                       | Loan given by the company                  | 10.42  | 0.41  |
| Chartered Bike Pvt. Ltd.            | [Common directorship of Mr. Pankaj Gandhi]                       | Loan given by the company                  | 25.59  | 25.59   |
| Chartered Marbles Pvt. Ltd.         | [Common directorship of Mr. Pankaj Gandhi]                       | Loan given by the company                  | 5.82   | 5.82  |
| Raman Holding Pvt. Ltd.             | [Common directorship of Mr. Pankaj Gandhi and Ms. Kinjal Gandhi] | Loan given by the company                  | 0.33   | Nil   |
| Rise Auto Pvt. Ltd.                 | [Common directorship of Mr. Pankaj Gandhi]                       | Loan given by the company                  | 4.43   | 4.43  |
| Chartered Bike Pvt. Ltd.            | [Common directorship of Mr. Pankaj Gandhi]                       | Performance Guarantee given by the company | 10.00  | 10.00   |

**Paragraph 7 of Annexure A of the report:**

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not been regular in depositing the amount deducted / accrued in books of account of the company in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues, as applicable, during the year and there have been significant delays in many cases. The details of undisputed dues payable to the authorities as at 31st March, 2018 for a period of more than six months from the date they became payable are as under-

| Name of the Statute  | Nature of dues             | Amount (INR Million) | Period to which the amount relates | Due date                      | Date of payment     |
|--|----------------------------|----------------------|------------------------------------|-------------------------------|---------------------|
| Employees' Provident Funds & Miscellaneous Provisions Act, 1952  | Provident Fund             | 0.05                 | Apr-17                             | 15 <sup>th</sup> May, 17      | May, 18             |
|  |                            | 0.006                | Jul-17                             | 15 <sup>th</sup> Aug., 17     | May, 18             |
|  |                            | 0.004                | Aug-17                             | 15 <sup>th</sup> Sep., 17     | May, 18, Aug., 18   |
| The Finance Act, 1994  | Service Tax                | 2.01                 | Jun-17                             | 5 <sup>th</sup> August, 17    | April, 18, July, 18 |
|  |                            | 0.13                 | Up to 31 <sup>st</sup> March,      | 31 <sup>st</sup> March, 17    | April, 18           |
| Central Goods and Service Tax Act, 2017; State Goods and Service Tax Act, 2017 and Integrated Goods and Service Tax, Act, 2017 | Goods and Service Tax      | 0.02                 | July, 17                           | 28 <sup>th</sup> August, 2017 | June, 18            |
| Employees' State Insurance Act, 1948   | Employees' State Insurance | 0.01                 | Apr-17                             | 15 <sup>th</sup> May, 17      | May, 18             |
|  |                            | 0.03                 | May-17                             | 15 <sup>th</sup> June, 17     | May, 18             |
|  |                            | 0.03                 | Jun-17                             | 15 <sup>th</sup> July, 17     | May, 18             |
|  |                            | 0.05                 | Jul-17                             | 15 <sup>th</sup> Aug., 17     | May, 18 to July, 18 |
|  |                            | 0.02                 | Aug-17                             | 15 <sup>th</sup> Sep., 17     | May, 18 to July, 18 |

**Note: 52 - Details of material adjustments made to the audited financial statements: Continued**

**For the year 2016-17:**

**Auditors' Qualification Report For The Financial Year Ended March 31, 2017:**

**Paragraph 8 of the Auditors' report:**

**Basis for Qualified Opinion:**

As detailed in Note 39 to the financial statements, the company's assets include amounts aggregating INR 7.91 Million as at March 31, 2017 and income and expenses include amounts aggregating INR 120.08 Million and INR 114.61 Million respectively for the year ended on that date, in respect of which we were unable to obtain sufficient appropriate audit evidence due to the reasons mentioned in the aforesaid note. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the existence, completeness, carrying value and classification of these amounts and the consequential impact, if any, on the accompanying financial statements.

**Note No 39 is reproduced as under:**

The company is having one of its divisions at Sirohi district, Rajasthan. This division was in trading business of automobile parts and tyres and oil and lubricants. During the last week of July 2017, this division had faced unexpected floods and all the documents and records pertaining to that division got destroyed in floods and the Company was unable to provide relevant records to the statutory auditors of the Company. The aforesaid division had assets and liabilities aggregating INR 16.86 Million and INR 1.19 Million respectively as at 31 March 2017 and the statement of Profit and Loss includes income and expenses aggregating INR 120.27 Million and INR 122.60 Million respectively for the year ended on that date.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

**Paragraph 12 (i) (iv) of Report on other legal and regulatory requirements:**

The company has provided disclosures in Note 34 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the bank of accounts maintained by the company. However, owing to the nature of records of the company and in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, permitted/ non-permitted payments and amount deposited in banks.

**Auditors' Report on Companies (Auditor's Report) Order, 2016 for the Financial year ended March 31, 2017:**

**Paragraph (iii) of Annexure A of the report:**

The company has granted interest free unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013; and with respect to the same:

- a We report that the company has granted interest free unsecured loans to three companies, amounting to INR 108.46 Million (as at March 31, 2017 INR Nil) in respect of which adequate explanation has not been provided to us of any benefit accruing to the company for giving such a loan. In the absence of necessary board resolution and other relevant records, we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the company
- b The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular.

**Paragraph (iv) of the report:**

In our opinion, the company has not complied with the provisions of section 185 of the Act in respect of the loans given, the details of the same are as follows:

| Party  | Maximum amount outstanding during the year (INR Million) | Amount outstanding as at March 31, 2017 (INR Million) | Remarks, if any   |
|--|--|---|---|
| Chartered Auto Component Private Limited [*] | 2.1  | Nil   | The company has given loan and the same has been received back during the year. |
| Chartered Autozone Private Limited [*]       | 10.75  | Nil   |   |
| Chartered Bike Private Limited               | 13.13  | Nil   |   |
| Chartered Marbles Private Limited [*]        | 4  | Nil   |   |
| Sanyam Gandhi [#]                            | 12.69  | Nil   |   |

[\*] Common directorship of Mr. Pankaj Gandhi.

[#] Relative of director.

In our opinion, the company has not complied with the provisions of section 186 of the Act. The details of non-compliances are as under-

| Particulars  | Name of the company                      | Amount involved (INR Million) | Balance as at March 31, 2017 (INR Million) |
|--|--|-------------------------------|--|
| Interest free loan given and non maintenance of register | Chartered Auto Component Private Limited | 21.38                         | Nil  |
|  | Chartered Autozone Private Limited [*]   | 54.75                         | Nil  |
|  | Chartered Bus Private Limited            | 33.55                         | Nil  |
|  | Chartered Bike Private Limited           | 32.33                         | Nil  |
|  | Chartered Marbles Private Limited [*]    | 2.85                          | Nil  |
|  | Sanyam Gandhi                            | 12.69                         | Nil  |

**Paragraph (vii) of Annexure-A of the report:**

- a Undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in large number of cases.

Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.

**Auditors' Report on Internal Financial Controls over Financial Reporting [IFCoFR] under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013**

**for the year ended March 31, 2017:**

**Basis for Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2017:

As detailed in Note 39 to the financial statements, the company did not have sufficient and appropriate audit evidence with respect to revenue, inventory and operating expenses and related assets and liabilities. In absence of sufficient and appropriate audit evidence, we are unable to comment on the design and operating effectiveness of internal controls related to the aforesaid processes, potential misstatement and resultant impact on the profit/ loss and the reserves and surplus as at and for the year ended 31st March, 2017.

A "material weakness" is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

| <b>CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]</b>  |                         |                                       |          |
|--|-------------------------|---------------------------------------|----------|
| <b>ANNEXURE 5A [ATTACHMENT TO ANNEXURE 1A, 2A, 3 AND 4A] - NOTES TO STANDALONE IND AS SUMMARY FINANCIAL STATEMENTS</b>   |                         |                                       |          |
| <b>Qualified Opinion:</b>  |                         |                                       |          |
| <p>In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has, in all material respects adequate IFCoFR and such IFCoFR were operating effectively as at 31st March, 2017, based on internal control financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note issued by the ICAI.</p> <p>We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company, as at and for the year ended 31st March, 2017, and this material weaknesses have affected our opinion on the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.</p> <p>Note no. 39 is mentioned above in this note.</p> |                         |                                       |          |
| <b>The accompanying summary of significant accounting policies and notes to Standalone Summary Statement (Annexure 5A) are integral part of this statement</b>   |                         |                                       |          |
| <u>As per our report of even date</u>  |                         | <u>For and on behalf of the Board</u> |          |
| For Mukesh M. Shah & Co.,<br>Chartered Accountants<br>Firm Registration Number: 106625W  |                         | Managing Director                     |          |
| Karnik K. Shah<br>Partner<br>Membership Number: 129675<br>Ahmedabad, Dated: September 22, 2018   | Chief Financial Officer | Company Secretary                     | Director |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**  
**Annexure 1B - Restated Standalone IGAAP Summary Statement of assets and liabilities as at 31 March 2015 and 2014**

|  | Note<br>No. of<br>Annexure 5B | As at<br>31-Mar-15<br>INR Million | As at<br>31-Mar-14<br>INR Million |
|--|-------------------------------|-----------------------------------|-----------------------------------|
| <b>Equity and liabilities</b>  |                               |                                   |                                   |
| <b>Shareholders' funds</b>   |                               |                                   |                                   |
| Share capital  | 2                             | 69.90                             | 69.90                             |
| Reserves and surplus   | 3                             | 92.88                             | 33.82                             |
|  |                               | <b>162.78</b>                     | <b>103.72</b>                     |
| <b>Non-current liabilities</b>   |                               |                                   |                                   |
| Long-term borrowings   | 4                             | 298.97                            | 183.16                            |
| Long-term provisions   | 5                             | 2.90                              | 0.90                              |
|  |                               | <b>301.87</b>                     | <b>184.06</b>                     |
| <b>Current liabilities</b>   |                               |                                   |                                   |
| Short-term borrowings  | 4                             | 6.80                              | 4.05                              |
| Trade payables   | 6                             |                                   |                                   |
| - total outstanding dues to micro and small enterprises                      |                               | -                                 | -                                 |
| - total outstanding dues to creditors other than micro and small enterprises |                               | 7.06                              | 14.06                             |
| Other current liabilities  | 7                             | 145.57                            | 92.38                             |
| Short-term provisions  | 8                             | 2.67                              | 1.88                              |
|  |                               | <b>162.10</b>                     | <b>112.37</b>                     |
| <b>Total</b>   |                               | <b>626.75</b>                     | <b>400.15</b>                     |
| <b>Assets</b>  |                               |                                   |                                   |
| <b>Non-current assets</b>  |                               |                                   |                                   |
| Fixed Assets   | 9                             | 352.69                            | 217.73                            |
| Capital work-in-progress   | 9                             | 16.95                             | 4.06                              |
| Non-current investments  | 10                            | 72.61                             | 14.40                             |
| Deferred tax assets  | 11                            | 7.06                              | 4.88                              |
| Long-term loans and advances   | 12                            | 45.38                             | 7.37                              |
|  |                               | <b>494.69</b>                     | <b>248.44</b>                     |
| <b>Current assets</b>  |                               |                                   |                                   |
| Inventories  | 13                            | 12.70                             | 14.87                             |
| Trade receivables  | 14                            | 61.45                             | 64.93                             |
| Cash and bank balances   | 15                            | 18.01                             | 40.68                             |
| Short-term loans and advances  | 12                            | 26.48                             | 21.38                             |
| Other current assets   | 16                            | 13.42                             | 9.85                              |
|  |                               | <b>132.06</b>                     | <b>151.71</b>                     |
| <b>Total</b>   |                               | <b>626.75</b>                     | <b>400.15</b>                     |

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5B ) are an integral part of this statement  
As per our report of even date

**For Mukesh M Shah & Co.**  
Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**  
**Membership No : 129675**  
Partner

Company Secretary

Chief Financial Officer

**Place : Ahmedabad**  
**Date : 22/09/2018**

**Place : Ahmedabad**  
**Date : 22/09/2018**

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]****Annexure 2B - Restated Standalone IGAAP Summary Statement of profit and loss for the year ended 31 March 2015 and 2014**

|   | Notes<br>No. of<br>Annexure 5B | Yeard ended<br>31-Mar-15<br>INR Million | Yeard ended<br>31-Mar-14<br>INR Million |
|---|--------------------------------|---|---|
| <b>Revenue</b>  |                                |   |   |
| Revenue from operations                                     | 17                             | 1,442.79                                | 996.91                                  |
| Other income  | 18                             | 9.20                                    | 8.92                                    |
| <b>Total revenue</b>  |                                | <b>1,451.99</b>                         | <b>1,005.83</b>                         |
| <b>Expenses</b>   |                                |   |   |
| Purchases of traded goods                                   | 19                             | 153.60                                  | 164.50                                  |
| Changes in inventories of traded goods                      | 20                             | 2.17                                    | (1.67)                                  |
| Operating expenses  | 21                             | 817.04                                  | 541.24                                  |
| Employee benefit expenses                                   | 22                             | 165.63                                  | 97.50                                   |
| Finance costs   | 23                             | 41.95                                   | 29.55                                   |
| Depreciation expense  | 24                             | 132.56                                  | 88.81                                   |
| Other expenses  | 25                             | 51.47                                   | 36.67                                   |
| <b>Total expenses</b>                                       |                                | <b>1,364.42</b>                         | <b>956.60</b>                           |
| <b>Profit before tax</b>                                    |                                | <b>87.57</b>                            | <b>49.23</b>                            |
| <b>Tax expense</b>  |                                |   |   |
| Current tax   | 26                             | 30.67                                   | 19.07                                   |
| Deferred tax  | 11                             | (2.18)                                  | (2.49)                                  |
| (Excess)/short provision relating to earlier years          |                                | 0.02                                    | -                                       |
| <b>Net profit</b>   |                                | <b>59.06</b>                            | <b>32.65</b>                            |
| <b>Earning per equity share (face value of INR 10 each)</b> |                                |   |   |
| Basic and diluted   | 29                             | 2.11                                    | 1.16                                    |

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5B ) are an integral part of this statement  
As per our report of even date

**For Mukesh M Shah & Co.**  
Chartered Accountants  
Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**  
**Membership No : 129675**  
Partner

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad  
**Date :** 22/09/2018

**Place :** Ahmedabad  
**Date :** 22/09/2018

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  
Annexure 4B - Restated Standalone Statement of Cash Flow for the year ended March 31, 2015 and 2014**

|   | Yeard ended<br><b>31-Mar-15</b><br>INR Million | Yeard ended<br><b>31-Mar-14</b><br>INR Million |
|---|--|--|
| <b>A] Cash flows from operating activities</b>  |  |  |
| <b>Profit before tax</b>  | <b>87.57</b>                                   | <b>49.23</b>                                   |
| <b>Adjustments for :</b>  |  |  |
| Depreciation expense  | 132.56   | 88.81  |
| Interest income   | (1.12)   | (1.25)   |
| Profit on sale of current investments   | (4.50)   | (0.05)   |
| Profit/Loss on sale of Fixed Assets(net)  | (0.20)   | 0.23   |
| Provision for Employee Benefit  | 2.10   | 1.04   |
| Finance cost  | 41.95  | 29.55  |
| <b>Operating profit before working capital changes</b>                                | <b>258.36</b>                                  | <b>167.56</b>                                  |
| <b>Adjustments for :</b>  |  |  |
| Increase/ (decrease) in trade payables  | (7.00)   | 2.26   |
| Increase in other liabilities and provisions  | 19.23  | 1.09   |
| (Increase) / decrease in loans and advances   | (43.11)  | (13.74)  |
| (Increase) / decrease in inventories  | 2.16   | (1.67)   |
| (Increase) in trade receivables   | 3.47   | 16.00  |
| (Increase) / decrease in other current and non current assets                         | (3.56)   | (2.56)   |
| <b>Cash generated from operating activities</b>                                       | <b>229.55</b>                                  | <b>168.94</b>                                  |
| Income taxes paid (net)   | <b>(29.99)</b>                                 | <b>(17.71)</b>                                 |
| <b>Net cash generated from operating activities</b>                                   | <b>199.56</b>                                  | <b>151.23</b>                                  |
| <b>B] Cash flows from investing activities</b>  |  |  |
| Purchase of Fixed Assets<br>(Including Capital Work in progress and capital advances) | (282.45)                                       | (124.74)                                       |
| Proceeds from sale of property, plant and equipment                                   | 2.24   | 0.72   |
| Proceeds from sale of investments   | 17.64  | 0.63   |
| Purchase of Non-current investments   | (71.35)  | (13.13)  |
| Loan given  |  |  |
| Investment in fixed deposits with bank  | (1.01)   | (1.65)   |
| Interest received   | 1.12   | 1.25   |
| <b>Net cash used in investing activities</b>  | <b>(333.81)</b>                                | <b>(136.92)</b>                                |
| <b>C] Cash flows from financing activities</b>  |  |  |
| Current borrowings [Net]  | 2.75   | (0.76)   |
| Proceeds from long term borrowings  | 340.48   | 178.64   |
| Repayment of long term borrowings   | (190.71)                                       | (127.38)                                       |
| Interest paid   | (41.95)  | (29.55)  |
| <b>Net cash generated from financing activities</b>                                   | <b>110.57</b>                                  | <b>20.95</b>                                   |
| <b>Net increase in cash and cash equivalents (A+B +C)</b>                             | <b>(23.68)</b>                                 | <b>35.26</b>                                   |
| Cash and cash equivalents as at the beginning of the period                           | <b>36.91</b>                                   | <b>1.65</b>                                    |
| <b>Cash and cash equivalents as at the end of the period</b>                          | <b>13.23</b>                                   | <b>36.91</b>                                   |

**Notes:**

**1 Cash and cash equivalents as at the year end constitutes**

|                     | As at<br><b>31 March 2015</b> | As at<br><b>31 March 2014</b> |
|---------------------|-------------------------------|-------------------------------|
| Cash on hand        | 6.02                          | 4.01                          |
| Balances with banks | 7.21                          | 32.90                         |
|                     | <b>13.23</b>                  | <b>36.91</b>                  |

2 Previous year figures have been regrouped/rearranged, wherever necessary, to conform to this year's classification.

This is the cash flow statement referred to in our audit report of even date

**For Mukesh M Shah & Co.**  
Chartered Accountants  
Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**  
**Membership No : 129675**  
Partner

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad  
**Date :** 22/09/2018

**Place :** Ahmedabad  
**Date :** 22/09/2018

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year ended 31 March 2015**

|   | As at<br>Tuesday, March 31, 2015 |                     | As at<br>Monday, March 31, 2014 |                     |
|---|----------------------------------|---------------------|---------------------------------|---------------------|
|   | Number                           | INR Million         | Number                          | INR Million         |
| <b>2 Share capital</b>  |                                  |                     |                                 |                     |
| <b>Authorised share capital</b>   |                                  |                     |                                 |                     |
| Equity shares of INR 10 each  | 10,000,000                       | 100.00              | 10,000,000                      | 100.00              |
|   | <b>10,000,000</b>                | <b>100.00</b>       | <b>10,000,000</b>               | <b>100.00</b>       |
| <b>Issued, subscribed and fully paid up</b>   |                                  |                     |                                 |                     |
| Equity shares of INR 10 each  | 6,989,600                        | 69.90               | 6,989,600                       | 69.90               |
|   | <b>6,989,600</b>                 | <b>69.90</b>        | <b>6,989,600</b>                | <b>69.90</b>        |
| <b>a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period</b> |                                  |                     |                                 |                     |
| <b>Balance at the beginning of the year</b>   | 6,989,600                        | 69.90               | 436,850                         | 4.37                |
| Add : Issued during the year  | -                                | -                   | 6,552,750                       | 65.53               |
| <b>Balance at the end of the year</b>   | <b>6,989,600</b>                 | <b>69.90</b>        | <b>6,989,600</b>                | <b>69.90</b>        |
| <b>b) Shareholders holding more than 5% of the shares of the Company</b>                                      |                                  |                     |                                 |                     |
|   | <b>Number</b>                    | <b>% of holding</b> | <b>Number</b>                   | <b>% of holding</b> |
| Equity shares of INR 10 each  |                                  |                     |                                 |                     |
| Pankaj Gandhi   | 3,549,600                        | 51%                 | 3,549,600                       | 51%                 |
| Alka Gandhi   | 3,440,000                        | 49%                 | 3,440,000                       | 49%                 |
|   | <b>6,989,600</b>                 | <b>100%</b>         | <b>6,989,600</b>                | <b>100%</b>         |

**c) Rights, preferences and restrictions**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except interim dividend. 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date**

| Year ended    | Face value<br>(INR) | No. of shares |
|---------------|---------------------|---------------|
| 31 March 2014 | 10                  | 6,552,750     |

**3 Reserves and surplus**

**Surplus in the statement of profit and loss**

|   | As at<br>31 March 2015<br>INR Million | As at<br>31 March 2014<br>INR Million |
|---|---------------------------------------|---------------------------------------|
| Balance at the beginning of the year                | 33.82                                 | 31.43                                 |
| Add : Transferred from statement of profit and loss | 59.06                                 | 32.65                                 |
| Less: Utilized during the year                      | -                                     | 30.26                                 |
| Balance at the end of the year                      | <b>92.88</b>                          | <b>33.82</b>                          |
| <b>Securities Premium</b>                           |                                       |                                       |
| Opening Balance                                     | -                                     | 35.27                                 |
| Add: Addition during the year                       | -                                     | -                                     |
| Less: Utilized during the year                      | -                                     | (35.27)                               |
| <b>Total of Reserves and surplus</b>                | <b>92.88</b>                          | <b>33.82</b>                          |

During the year ended 31st March 2014, the company has utilized INR 30.26 Million from " Surplus in Statement of profit & Loss" and INR 35.27 Million from Securities Premium towards issuance of Bonus Shares.

|  | As at<br>Tuesday, March 31, 2015<br>INR Million |             | As at<br>Monday, March 31, 2014<br>INR Million |             |
|--|---|-------------|--|-------------|
|  | Long term                                       | Short term  | Long term                                      | Short term  |
| <b>4 Borrowings</b>  |   |             |  |             |
| <b>Secured</b>   |   |             |  |             |
| Term loans [ Refer notes (a) & (b) & (c) ]                 |   |             |  |             |
| From banks   | 397.20  |             | 230.42   |             |
| From Non Banking Financial Companies (NBFCs)               | 24.18   |             | 41.21  |             |
| Loans repayable on demand                                  |   |             |  |             |
| Working capital loan from banks                            |   | 6.80        |  | 4.05        |
| <b>Unsecured</b>   |   |             |  |             |
| From related parties                                       | 0.02  |             |  |             |
| From banks   |   |             |  |             |
|  | <b>421.40</b>                                   | <b>6.80</b> | <b>271.63</b>                                  | <b>4.05</b> |
| Less : Current maturities of long-term debt (refer note 7) | 122.43  | -           | 88.47  | -           |
| <b>Total borrowings</b>                                    | <b>298.97</b>                                   | <b>6.80</b> | <b>183.16</b>                                  | <b>4.05</b> |

**Term of Repayment of Loan**

**(a) Details of guarantee for each type of borrowings**

**Guaranteed by directors**

**Secured**

|                                 |        |      |        |      |
|---------------------------------|--------|------|--------|------|
| Term Loans                      |        |      |        |      |
| From banks                      | 397.20 |      | 230.42 |      |
| From NBFCs                      | 24.18  |      | 41.21  |      |
| Loans repayable on demand       |        |      |        |      |
| Working capital loan from banks |        | 6.80 |        | 4.05 |



**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year ended 31 March 2015**

|  | As at<br>31 March 2015 | As at<br>31 March 2014 |
|--|------------------------|------------------------|
|  | INR Million            | INR Million            |
| <b>6 Trade payables</b>                                  |                        |                        |
| Dues of micro and small enterprises                      | -                      | -                      |
| Dues of creditors other than micro and small enterprises | 7.06                   | 14.06                  |
|  | <b>7.06</b>            | <b>14.06</b>           |

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the statutory auditors of the Company. There is no interest paid or payable during the year.

|   | As at<br>31 March 2015 | As at<br>31 March 2014 |
|---|------------------------|------------------------|
|   | INR Million            | INR Million            |
| <b>7 Other current liabilities</b>                  |                        |                        |
| Current maturities of long term debt (refer note 4) | 122.43                 | 88.47                  |
| Statutory dues payable                              | 12.76                  | 3.26                   |
| Advances received from customers                    | 1.27                   | 0.65                   |
| Employee related payables                           | 9.02                   | -                      |
| Security deposits                                   | 0.09                   | -                      |
|   | <b>145.57</b>          | <b>92.38</b>           |

|  | As at<br>31 March 2015 | As at<br>31 March 2014 |
|--|------------------------|------------------------|
|  | INR Million            | INR Million            |
| <b>8 Short Term Provisions</b>   |                        |                        |
| Provision for taxation (net of advance tax and TDS INR 3.61 Million; 31 March 2014. INR2.91 Million) | 2.44                   | 1.74                   |
| Provision for Employee Benefit   | 0.23                   | 0.14                   |
|  | <b>2.67</b>            | <b>1.88</b>            |

|   | As at<br>31 March 2015 |              | As at<br>31 March 2014 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | Number                 | INR Million  | Number                 | INR Million  |
| <b>10 Non-current investments</b>   |                        |              |                        |              |
| <b>(Valued at cost, each fully paid up and unquoted, unless otherwise stated)</b> |                        |              |                        |              |
| <b>Non-Trade investments</b>  |                        |              |                        |              |
| <b>Investments in equity shares of subsidiaries</b>                               |                        |              |                        |              |
| <b>(Face value of INR 10 each)</b>  |                        |              |                        |              |
| Chartered Bus Private Limited (Formerly known as Chartered Cab Private Limited)   | 10,500                 | 0.10         | 10,500                 | 0.10         |
| Chartered Autozone Private Limited  | 6,000                  | 0.06         | 7,500                  | 0.08         |
| Chartered Auto Component Private Limited  | 5,100                  | 0.05         | 5,100                  | 0.05         |
| Chartered Marbles Private Limited   | 5,100                  | 0.05         | 5,100                  | 0.05         |
| Chartered Bike Private Limited (Formerly known as Nextbike One Private Limited)   | -                      | -            | -                      | -            |
| <b>Trade Investment</b>   |                        |              |                        |              |
| <b>Investments in Equity Instruments (Quoted):</b>                                |                        |              |                        |              |
| Chartered Logistics Ltd. each share of Face value INR 10                          | 3,322,900              | 37.80        | -                      | -            |
| <b>Investments in Mutual Funds</b>  |                        |              |                        |              |
| Mutual funds quoted trade:  |                        |              |                        |              |
| ING Dividend Yield Fund - Growth  |                        | -            | 105,147                | 2.60         |
| Aditya Birla Sunlife Banking and Fin. Ser. Fund - Growth                          | 315,006                | 4.40         | 60,428                 | 0.60         |
| Aditya Birla Sunlife MNC Fund - Growth  | 4,500                  | 2.00         | 9,118                  | 2.40         |
| Aditya Birla Sun Life Medium Term Plan - Growth                                   | 287,220                | 4.47         | -                      | -            |
| Axis Treasury Advantage Fund - Growth   | 69                     | 0.10         | -                      | -            |
| L&T Infrastructure Fund - Growth  | 866,761                | 8.40         | -                      | -            |
| Reliance Close Ended Equity Fund II - Series A - Growth                           | 350,000                | 3.50         | -                      | -            |
| BNP Paribas Midcap Fund - Growth  | 151,582                | 2.80         | 31,071                 | 0.40         |
| HDFC Midcap Opportunity Fund - Growth   | 100,014                | 2.84         | 131,742                | 2.40         |
| ICICI Prudential Focused Bluechip Equity Fund - Growth                            | 151,582                | 3.80         | 29,935                 | 0.60         |
| ICICI Prudential Multiple Yield Fund Series 5 - Plan C - Growth                   | 180,000                | 1.80         | 180,000                | 1.80         |
| IDFC Multi Cap Fund - Regular Plan - Growth                                       | -                      | -            | 61,756                 | 2.40         |
| <b>Other investments</b>  |                        |              |                        |              |
| HDFC AMC Real Estate Portfolio (Unquoted)   |                        | 0.44         |                        | 0.80         |
| <b>Investments in Equity Instruments (Unquoted)</b>                               |                        |              | 10000                  | 0.12         |
|   |                        | <b>72.61</b> |                        | <b>14.40</b> |
| <b>Aggregate amount of:</b>   |                        |              |                        |              |
| Unquoted investments  |                        | 0.27         |                        | 0.40         |
| Provision for diminution in value of investments                                  |                        | -            |                        | -            |
| Market value of quoted investments  |                        | 69.35        |                        | 16.05        |

|                             | As at March 31, 2013 |             | Total       |
|-----------------------------|----------------------|-------------|-------------|
|                             | Depreciation         | Others      |             |
| <b>As at March 31, 2013</b> | 2.39                 | -           | <b>2.39</b> |
| Charge for the year         | 2.49                 | -           | <b>2.49</b> |
| <b>As at March 31, 2014</b> | 4.88                 | -           | <b>4.88</b> |
| Charge for the year         | 2.00                 | 0.18        | <b>2.18</b> |
| <b>As at March 31, 2015</b> | <b>6.88</b>          | <b>0.18</b> | <b>7.06</b> |

The company has recognised net deferred tax asset of INR 2.49 Million in FY 2013-14 and INR 2.17 Million in FY 2014-15.

CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]

Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year ended 31 March 2015 and 2014

9 Fixed Assets

| INR Million                        |             |             |               |             |                  |                     |                        |               |
|------------------------------------|-------------|-------------|---------------|-------------|------------------|---------------------|------------------------|---------------|
| Particulars                        | Building    | Tubewell    | Vehicles      | Computer    | Office Equipment | Machinery and Tools | Furniture and fixtures | Total         |
| <b>Gross block</b>                 |             |             |               |             |                  |                     |                        |               |
| <b>Balance as at 01 April 2013</b> | <b>2.75</b> | <b>0.24</b> | <b>338.74</b> | <b>1.79</b> | <b>1.00</b>      | <b>3.48</b>         | <b>0.04</b>            | <b>348.04</b> |
| Additions                          | -           | -           | 120.44        | 2.13        | 1.00             | 0.99                | -                      | 124.56        |
| Disposals                          | -           | -           | (1.31)        | -           | -                | -                   | -                      | (1.31)        |
| <b>Balance as at 31 March 2014</b> | <b>2.75</b> | <b>0.24</b> | <b>457.87</b> | <b>3.92</b> | <b>1.99</b>      | <b>4.48</b>         | <b>0.04</b>            | <b>471.28</b> |
| Additions                          | -           | -           | 263.91        | 2.18        | 1.11             | 2.07                | 0.29                   | 269.56        |
| Disposals                          | -           | -           | (3.76)        | -           | -                | -                   | -                      | (3.76)        |
| <b>Balance as at 31 March 2015</b> | <b>2.75</b> | <b>0.24</b> | <b>718.01</b> | <b>6.10</b> | <b>3.10</b>      | <b>6.55</b>         | <b>0.33</b>            | <b>737.08</b> |
| <b>Accumulated depreciation</b>    |             |             |               |             |                  |                     |                        |               |
| <b>Balance as at 01 April 2013</b> | <b>0.10</b> | <b>0.02</b> | <b>163.24</b> | <b>0.64</b> | <b>0.09</b>      | <b>1.01</b>         | <b>0.01</b>            | <b>165.11</b> |
| Depreciation charge                | 0.13        | 0.01        | 87.30         | 0.70        | 0.22             | 0.44                | 0.00                   | 88.81         |
| Reversal on disposal of assets     | -           | -           | (0.36)        | -           | -                | -                   | -                      | (0.36)        |
| <b>Balance as at 31 March 2014</b> | <b>0.23</b> | <b>0.03</b> | <b>250.18</b> | <b>1.35</b> | <b>0.31</b>      | <b>1.46</b>         | <b>0.01</b>            | <b>253.56</b> |
| Depreciation charge                | 0.12        | 0.14        | 128.75        | 2.30        | 0.42             | 0.79                | 0.03                   | 132.56        |
| Reversal on disposal of assets     | -           | -           | (1.72)        | -           | -                | -                   | -                      | (1.72)        |
| <b>Balance as at 31 March 2015</b> | <b>0.35</b> | <b>0.17</b> | <b>377.21</b> | <b>3.65</b> | <b>0.73</b>      | <b>2.24</b>         | <b>0.04</b>            | <b>384.39</b> |
| <b>Net block</b>                   |             |             |               |             |                  |                     |                        |               |
| <b>Balance as at 31 March 2014</b> | <b>2.52</b> | <b>0.22</b> | <b>207.69</b> | <b>2.57</b> | <b>1.69</b>      | <b>3.02</b>         | <b>0.03</b>            | <b>217.73</b> |
| <b>Balance as at 31 March 2015</b> | <b>2.39</b> | <b>0.07</b> | <b>340.81</b> | <b>2.45</b> | <b>2.37</b>      | <b>4.31</b>         | <b>0.29</b>            | <b>352.69</b> |

Balance as at 31 March 2014  
Balance as at 31 March 2015

4.06  
16.95

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year ended 31 March 2015

|   | As at 31 March 2015 |                   | As at 31 March 2014  |                      |
|---|---------------------|-------------------|----------------------|----------------------|
|   | INR Million         | INR Million       | INR Million          | INR Million          |
| <b>12 Loans and advances</b>  |                     |                   |                      |                      |
|   | <b>Long Term</b>    | <b>Short Term</b> | <b>Long Term</b>     | <b>Short Term</b>    |
| (Unsecured, considered good unless otherwise stated)  |                     |                   |                      |                      |
| Security deposits   | 45.38               | -                 | 7.37                 | -                    |
| Balances with government authorities  | -                   | 5.42              | -                    | 6.41                 |
| Advance to employees  | -                   | 5.92              | -                    | 2.68                 |
| Advance to suppliers  | -                   | 14.98             | -                    | 12.29                |
| Other Advance   | -                   | 0.16              | -                    | -                    |
|   | <b>45.38</b>        | <b>26.48</b>      | <b>7.37</b>          | <b>21.38</b>         |
|   |                     |                   |                      |                      |
|   |                     |                   | <b>As at</b>         | <b>As at</b>         |
|   |                     |                   | <b>31 March 2015</b> | <b>31 March 2014</b> |
| <b>13 Inventories (valued at lower of cost or net realisable value)</b>                     |                     |                   | <b>INR Million</b>   |                      |
| Traded goods  |                     |                   | 12.70                | 14.87                |
|   |                     |                   | <b>12.70</b>         | <b>14.87</b>         |
|   |                     |                   |                      |                      |
|   |                     |                   | <b>As at</b>         | <b>As at</b>         |
|   |                     |                   | <b>31 March 2015</b> | <b>31 March 2014</b> |
| <b>14 Trade receivables</b>   |                     |                   | <b>INR Million</b>   | <b>INR Million</b>   |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                     |                   |                      |                      |
| Unsecured, considered good  |                     |                   | 0.57                 | 0.45                 |
| Unsecured, considered doubtful  |                     |                   | -                    | -                    |
| Less: Provision for bad and doubtful debts  |                     |                   | -                    | -                    |
| <b>Other debts</b>  |                     |                   |                      |                      |
| Unsecured, considered good  |                     |                   | 60.88                | 64.48                |
|   |                     |                   | <b>61.45</b>         | <b>64.93</b>         |
| <b>15 Cash and bank balances</b>  |                     |                   |                      |                      |
| <b>Cash and cash equivalents</b>  |                     |                   |                      |                      |
| Cash on hand  |                     |                   | 6.02                 | 4.01                 |
| Balances with banks in current accounts   |                     |                   | 7.21                 | 32.90                |
|   |                     |                   | <b>13.23</b>         | <b>36.91</b>         |
| <b>Other bank balances *</b>  |                     |                   |                      |                      |
| Fixed Deposits with Banks   |                     |                   | 4.78                 | 3.77                 |
|   |                     |                   | <b>4.78</b>          | <b>3.77</b>          |
| Less : Amounts disclosed as other non-current assets (refer note 13)                        |                     |                   |                      |                      |
| <b>Total</b>  |                     |                   | <b>18.01</b>         | <b>40.68</b>         |
|   |                     |                   |                      |                      |
| <b>* Balances with bank held as</b>   |                     |                   |                      |                      |
| Security against the borrowings / guarantees  |                     |                   | 4.78                 | 3.77                 |
|   |                     |                   |                      |                      |
|   |                     |                   | <b>As at</b>         | <b>As at</b>         |
|   |                     |                   | <b>31 March 2015</b> | <b>31 March 2014</b> |
| <b>16 Other current assets</b>  |                     |                   | <b>INR Million</b>   | <b>INR Million</b>   |
| Accrued income  |                     |                   | 0.04                 | 1.74                 |
| Prepaid Tax   |                     |                   | 1.05                 | -                    |
| Prepaid Expense   |                     |                   | 12.33                | 8.11                 |
|   |                     |                   | <b>13.42</b>         | <b>9.85</b>          |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**
**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year**

|  | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|--|--|--|
| <b>17 Revenue from operations</b>  |  |  |
| A] Sale of products  |  |  |
| Sale of motor oils and lubricants, tyres and heavy vehicle spares              | 166.69                                     | 172.48                                     |
| B] Sale of services  |  |  |
| Bus operations   | 1,275.99                                   | 823.87                                     |
| C] Other operating income  | 0.11                                       | 0.56                                       |
|  | <b>1,442.79</b>                            | <b>996.91</b>                              |
| <b>18 Other income</b>   |  |  |
| Interest income  | 1.11                                       | 1.25                                       |
| Profit on sale of current investments  | 4.50                                       | 0.05                                       |
| Profit on sale of Fixed Assets (net)   | 0.20                                       | -  |
| Discount (net)   | 2.15                                       | 4.94                                       |
| Advertisement  | 0.02                                       | 0.02                                       |
| Miscellaneous income   | 1.22                                       | 2.66                                       |
|  | <b>9.20</b>                                | <b>8.92</b>                                |
| <b>19 Purchases of traded goods (including incidental costs)</b>               |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares                      | 153.60                                     | 164.50                                     |
|  | <b>153.60</b>                              | <b>164.50</b>                              |
| <b>20 Changes in inventories of traded goods</b>                               |  |  |
| Opening stock  |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares                      | 14.87                                      | 13.20                                      |
| Closing stock  |  |  |
| Motor oils and lubricants, tyres and heavy vehicle spares                      | 12.70                                      | 14.87                                      |
|  | 12.70                                      | 14.87                                      |
|  | <b>2.17</b>                                | <b>(1.67)</b>                              |
| <b>21 Operating expenses</b>   |  |  |
| Fuel consumption   | 592.15                                     | 395.93                                     |
| Vehicle running, repairs and maintenance                                       | 124.94                                     | 83.30                                      |
| Vehicle toll tax, RTO and parking expenses                                     | 37.60                                      | 14.05                                      |
| Tyre expenses  | 37.90                                      | 29.98                                      |
| Royalty  | 5.00                                       | 2.19                                       |
| Insurance  | 16.04                                      | 12.84                                      |
| Sub merchant charges   | 2.46                                       | 1.76                                       |
| Workshop expenses  | 0.95                                       | 1.19                                       |
|  | <b>817.04</b>                              | <b>541.24</b>                              |
| <b>22 Employee benefit expenses</b>  |  |  |
| Salaries, wages and bonus  | 151.75                                     | 91.38                                      |
| Contribution to provident and other defined contribution funds (refer note 32) | 8.88                                       | 2.25                                       |
| Staff welfare expenses   | 5.00                                       | 3.87                                       |
|  | <b>165.63</b>                              | <b>97.50</b>                               |
| <b>23 Finance costs</b>  |  |  |
| Interest on loans  | 40.20                                      | 28.49                                      |
| Other borrowing costs  | 0.73                                       | 0.31                                       |
| Bank Charges   | 1.02                                       | 0.75                                       |
|  | <b>41.95</b>                               | <b>29.55</b>                               |
| <b>24 Depreciation expense</b>   |  |  |
| Depreciation of property, plant and equipment (refer note 9)                   | 132.56                                     | 88.81                                      |
|  | <b>132.56</b>                              | <b>88.81</b>                               |
| <b>25 Other expenses</b>   |  |  |
| Payments to auditors - Audit fees  | 0.08                                       | 0.06                                       |
| Advertisement and business promotion expenses                                  | 16.27                                      | 11.61                                      |
| Corporate social responsibility expenses                                       | 0.59                                       | 2.16                                       |
| Commission   | -  | 0.40                                       |
| Electricity  | 4.90                                       | 2.56                                       |
| Insurance Expense  | 0.93                                       | 1.19                                       |
| Legal and professional   | 2.77                                       | 1.71                                       |
| Loss on sale of Fixed Assets   | 0.04                                       | 0.23                                       |
| Office expenses  | 4.19                                       | 1.47                                       |
| Telephone and postage  | 3.28                                       | 2.29                                       |
| Printing and stationery  | 1.56                                       | 0.79                                       |
| Rates & Taxes  | 0.28                                       | 0.15                                       |
| Rent   | 6.85                                       | 4.10                                       |
| <b>Repairs and Maintenance</b>   |  |  |
| Computers  | 0.95                                       | 0.30                                       |
| Vehicles   | 1.60                                       | 2.21                                       |
| Others   | 0.24                                       | 0.57                                       |
| Security expenses  | 1.64                                       | 0.99                                       |
| Software expenses  | 0.19                                       | 0.05                                       |
| Freight outward  | 1.48                                       | 1.24                                       |
| Travelling and conveyance  | 2.62                                       | 2.25                                       |
| Miscellaneous expenses   | 1.01                                       | 0.34                                       |
|  | <b>51.47</b>                               | <b>36.67</b>                               |

**Disclosure in respect of office premises taken on lease as required by Accounting Standard (AS) 19 'Leases' :**

The Company has taken premises under operating lease or lease and license agreement with no restrictions and are renewable/ cancellable at the option of either of the parties. There are no sub-leases. The lease payments recognised under "Rent Expenses" are:

|   | Year ended<br>31 March 2015<br>INR Million | Year ended<br>31 March 2014<br>INR Million |
|---|--|--|
| Operating lease payments recognised in the Statement of Profit and Loss       | 6.85                                       | 4.10                                       |
| <b>26 Tax Expense</b>   |  |  |
| <b>The major components of income tax expense are:</b>                        |  |  |
| <b>A Statement of profit and loss:</b>  |  |  |
| <b>Profit or loss section:</b>  |  |  |
| Current income tax:   |  |  |
| Current income tax charge   | 30.67                                      | 19.07                                      |
| Adjustments in respect of current income tax of previous year                 | -  | -  |
|   | <b>30.67</b>                               | <b>19.07</b>                               |
| Deferred tax:   |  |  |
| Relating to origination and reversal of temporary differences [Refer Note-11] | (2.18)                                     | (2.49)                                     |
| (Excess)/short provision relating to earlier years                            | 0.02                                       | -  |
| <b>Tax expense reported in the statement of profit or loss</b>                | <b>28.51</b>                               | <b>16.58</b>                               |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**
**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year**

| <b>B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b> |              |              |
|---|--------------|--------------|
| Profit before tax   | 87.57        | 49.23        |
| Enacted Tax Rate in India (%)   | 32.45%       | 32.45%       |
| Expected Tax Expenses   | 28.41        | 15.97        |
| Adjustments for:  |              |              |
| Effect of additional deductions in taxable income   | (1.53)       | (0.02)       |
| Effect of non-deductible expenses   | 2.21         | 2.58         |
| Effect of lower tax rate on specified income  | 0.55         | 0.01         |
| Others  | 1.03         | 0.53         |
| Total   | 2.26         | 3.10         |
| <b>Tax Expenses as per Statement of Profit and Loss</b>   | <b>30.67</b> | <b>19.07</b> |

**27 Contingent liabilities**
**Claims against the Company not acknowledged as debts**

|                                 |      |   |
|---------------------------------|------|---|
| Income tax demands under appeal | 2.53 | - |
|---------------------------------|------|---|

**28 Expenditure in Foreign Currency**

|        |      |   |
|--------|------|---|
| Others | 0.62 | - |
|--------|------|---|

**29 Earnings per share**

|  | <b>Year ended<br/>31 March 2015</b> | <b>Year ended<br/>31 March 2014</b> |
|--|-------------------------------------|-------------------------------------|
|  | INR Million                         | INR Million                         |
| <i>Based on the basic and weighted average number of equity shares</i> |                                     |                                     |
| Net Profit as per Statement of Profit and Loss                         | 59.06                               | 32.65                               |
| Weighted average number of shares outstanding                          | 28,026,710                          | 28,026,710                          |
| Nominal value of shares  | 10                                  | 10                                  |
| Basic and diluted earnings per share                                   | 2.11                                | 1.16                                |

**[\*] Note:**

The company has issued Bonus shares during the year 2018-19 in the ratio of 3 Bonus Equity Shares for 1 Equity shares held on the record date. Accordingly, the company has The Earning Per Share, as stated above, has been adjusted after giving effect of the total number of Bonus Shares issued by the company as mentioned above.

**30 Related party transactions**

Related party disclosures as required under Accounting standard 18, "Related party disclosures" are given below.

**(a) List of related parties**

| <b>Relationship</b>   | <b>Name of the Person / Company</b>   |
|---|---|
| (a) Key Management Personnel (KMP)  | Pankaj Gandhi<br>Alka Gandhi<br>Kinjal Gandhi   |
| (b) Subsidiaries  | Chartered Bus Private Limited (Formerly known as Chartered Cab Private Limited)<br>Chartered Marbles Private Limited<br>Chartered Autozone Private Limited<br>Chartered Auto Components Private Limited |
| (c) Enterprise over which Key Managerial Personnel exercise significant influence : | Raman Holding Private Limited<br>Chartered Greentech Private Limited<br>(Formerly known as Meri Suraksha Private Limited)<br>Raj Trade Agency   |

**(b) Disclosure of transactions between the Company and related parties and outstanding balances :**

|   | <b>Year ended<br/>31 March 2015</b> | <b>Year ended<br/>31 March 2014</b> |
|---|-------------------------------------|-------------------------------------|
|   | INR Million                         | INR Million                         |
| <b>Sales of products</b>                  |                                     |                                     |
| Chartered Autozone Private Limited        | 0.01                                | -                                   |
| <b>Sales of services</b>                  |                                     |                                     |
| Raman Holding Private Limited             | 0.18                                | -                                   |
| <b>Directors' remuneration</b>            |                                     |                                     |
| Pankaj Gandhi                             | 2.40                                | 2.40                                |
| Alka Gandhi                               | 1.20                                | 1.20                                |
| Kinjal Gandhi                             | 0.90                                | 0.60                                |
| <b>Rent expenses</b>                      |                                     |                                     |
| Pankaj Gandhi                             | 3.00                                | 1.86                                |
| Alka Gandhi                               | 1.04                                | 0.86                                |
| Chartered Bus Pvt. Ltd.                   | 5.66                                | 4.41                                |
| <b>Rent income</b>                        |                                     |                                     |
| Raman Holding Private Limited             | -                                   | 0.08                                |
| <b>Loans taken</b>                        |                                     |                                     |
| Pankaj Gandhi                             | 34.91                               | 28.71                               |
| Alka Gandhi                               | 45.27                               | 8.44                                |
| Kinjal Gandhi                             | 2.13                                | -                                   |
| Raman Holding Private Limited             | 15.47                               | 1.04                                |
| Chartered Auto Components Private Limited | 1.20                                | -                                   |
| Chartered Autozone Private Limited        | 1.45                                | -                                   |
| Chartered Bus Private Limited             | 10.24                               | -                                   |
| <b>Loans repaid</b>                       |                                     |                                     |
| Pankaj Gandhi                             | 34.91                               | 28.71                               |
| Alka Gandhi                               | 45.26                               | 8.44                                |
| Kinjal Gandhi                             | 2.13                                | -                                   |
| Chartered Auto Components Private Limited | 1.20                                | -                                   |
| Chartered Autozone Private Limited        | 1.45                                | -                                   |
| Chartered Bus Private Limited             | 10.24                               | -                                   |
| Raman Holding Private Limited             | 15.47                               | 1.04                                |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

**Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year**

|   | Year ended<br><b>31 March 2015</b><br>INR Million | Year ended<br><b>31 March 2014</b><br>INR Million |
|---|---|---|
| <b>Loans given</b>                            |   |   |
| Chartered Auto Components Private Limited     | 6.22  | 3.28  |
| Chartered Autozone Private Limited            | 100.91  | 40.46   |
| Chartered Bus Private Limited                 | 139.34  | 148.00  |
| Chartered Marbles Private Limited             | 1.55  | -   |
| Raman Holding Private Limited                 | -   | 0.13  |
| Rai Trade Agency                              | -   | 2.55  |
| <b>Loans received back</b>                    |   |   |
| Chartered Auto Components Private Limited     | 6.22  | 3.28  |
| Chartered Autozone Private Limited            | 100.91  | 40.46   |
| Chartered Bus Private Limited                 | 139.34  | 148.00  |
| Raman Holding Private Limited                 | -   | 0.13  |
| Rai Trade Agency                              | -   | 2.55  |
| Chartered Marbles Private Limited             | 1.55  | -   |
| <b>Interest Expenses</b>                      |   |   |
| Pankaj Gandhi                                 | 0.45  | -   |
| Alka Gandhi                                   | 1.70  | -   |
| Kinial Gandhi                                 | 0.12  | -   |
| <b>Purchase of services</b>                   |   |   |
| Chartered Auto Components Private Limited     | 1.12  | 0.28  |
| Chartered Autozone Private Limited            | 7.53  | 0.81  |
| Chartered Bus Private Limited                 | 2.38  | -   |
| <b>Reimbursement of expenses paid</b>         |   |   |
| Chartered Bus Private Limited                 | 4.00  | 6.80  |
| <b>(c) Disclosure of balances outstanding</b> |   |   |
| <b>Loan outstanding payable</b>               |   |   |
| Alka Gandhi                                   | 0.02  | -   |

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]**

Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year ended 31 March 2015 and 2014

**Note No. 31 - Segment Information**

Business segments:

For management purposes, the Group is organised into business units based on its services rendered and products sold. The leadership team (chief financial officer and chairperson, being chief operating decision maker) monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Group has two reportable segments, as follows :

**Bus Operation**

It represents business of passenger transportation services via buses in India.

**Trading of Motor oils, lubricants, tyres and heavy vehicle spares**

It represents trading business of Motor Oils and Lubricant , tyres and heavy spares in India.

INR In Million

| Particular  | Bus Operation   |                 | Trading of Motor oils,<br>lubricants, tyres and heavy<br>vehicle spares |               | Consolidated Total |                |
|---|-----------------|-----------------|---|---------------|--------------------|----------------|
|   | 2014-15         | 2013-14         | 2014-15   | 2013-14       | 2014-15            | 2013-14        |
| <b>Revenue</b>  |                 |                 |   |               |                    |                |
| External Sales  | 1276            | 824             | 166.69  | 172.48        | 1442.79            | 996.91         |
| Other Income  | 3.29            | 2.66            | 0.29  | 4.96          | 3.58               | 7.62           |
| Interest Income   | 1.12            | 1.25            |   |               | 1.12               | 1.25           |
| Unallocated corporate Income                              |                 |                 |   |               | 4.50               | 0.05           |
| <b>Total Revenue</b>                                      | <b>1280.51</b>  | <b>828.34</b>   | <b>166.98</b>   | <b>177.44</b> | <b>1451.99</b>     | <b>1005.83</b> |
| Segment Result (Before Interest and Tax Expense)          | 124.72          | 74.04           | 3.64  | 5.85          | 128.36             | 79.89          |
| Interest Expense  | 40.20           | 28.50           |   |               | 40.20              | 28.50          |
| Unallocated corporate Expense                             |                 |                 |   |               | 0.59               | 2.16           |
| <b>Profit /Loss for the year</b>                          | <b>84.52</b>    | <b>45.54</b>    | <b>3.64</b>   | <b>5.85</b>   | <b>59.05</b>       | <b>32.66</b>   |
| Segment Assets  | 485.22          | 312.28          | 56.44   | 62.17         | 541.66             | 374.45         |
| Unallocated corporate Assets                              |                 |                 |   |               | 85.09              | 25.7           |
| <b>Total Assets</b>                                       | <b>485.22</b>   | <b>312.28</b>   | <b>56.44</b>  | <b>62.17</b>  | <b>626.75</b>      | <b>400.15</b>  |
| Segment Liabilities                                       | 457.1781        | 292.4694        | 4.3619  | 2.2206        | 461.54             | 294.69         |
| Unallocated corporate Liabilities                         | 1512.14         |                 |   |               | 2.44               | 1.74           |
| <b>Total Liabilities</b>                                  | <b>457.1781</b> | <b>292.4694</b> | <b>4.3619</b>   | <b>2.2206</b> | <b>463.98</b>      | <b>296.43</b>  |
| Capital Expenditure towards acquisition of Fixed assets   | 286.51          | 128.62          |   | -             | 286.51             | 128.62         |
| Depreciation / amortization provided during the year      | 132.56          | 88.81           |   | -             | 132.56             | 88.81          |
| Non Cash expense other than depreciation and amortization | 2.10            | 1.04            |   | -             | 2.10               | 1.04           |

**Geographical Operation**

The operating interests of the company are confined to India since all the operational activities exist in India only. Accordingly, the figure appearing in these financial statements relate to the Company's single geographical location i.e. India

**CHARTERED SPEED LIMITED [Formerly CHARTERED SPEED PRIVATE LIMITED]  
Annexure - 5B [Attachment to Annexure 1B, 2B, 4B] - Notes to Standalone Summary Financial Statement as at and for the year**

32 Financial statements for the year ended 31 March 2015 and 2014 were audited and reported by another firm of Chartered Accountants.

33 The company has not declared and paid any dividend during the financial year 2013-14 and 2014-15.

34 Ageing of the Trade receivable is as under:

| Period             | INR Million    |                |
|--------------------|----------------|----------------|
|                    | As at          |                |
|                    | March 31, 2015 | March 31, 2014 |
| Not due            | 39.92          | 45.25          |
| 1 - 30 days        | 13.74          | 12.10          |
| 31 - 90 days       | 6.37           | 6.20           |
| 91 - 180 days      | 0.66           | 0.83           |
| More than 180 days | 0.76           | 0.55           |

35 Accounting Ratios:

|   |             |                      |                      |
|---|-------------|----------------------|----------------------|
| <b>Return on Net worth:</b>   |             | As at March 31, 2015 | As at March 31, 2014 |
| Net Profit (Total Comprehensive Income) available to Equity Shareholders of the Company | INR Million | 59.06                | 32.65                |
| Networth of the Equity Shareholders of the Company                                      | INR Million | 162.78               | 103.72               |
| <b>Return to Net worth (%)</b>  | <b>%</b>    | <b>36.28%</b>        | <b>31.48%</b>        |
| <b>Net Assets Value per Share:</b>  |             |                      |                      |
| Networth of the Equity Shareholders of the Company                                      | INR Million | 162.78               | 103.72               |
| Total Number of Equity Shares outstanding at the end of the period                      | Numbers     | 6,989,600            | 6,989,600            |
| <b>Net Assets Value per Share</b>   | <b>INR</b>  | <b>23.29</b>         | <b>14.84</b>         |

**36 - Details of material adjustments and regrouping / reclassification made to the audited financial statements:**

A Material adjustments to the audited financial statements:

| Particulars   | For the year ended March 31, |              |
|---|------------------------------|--------------|
|   | 2015                         | 2,014        |
| Net profit after tax as per Audited financial statements of the respective year | 60.4                         | 33.49        |
| Add / Less : Adjustments in respect of -  |                              |              |
| Preliminary Expenses  | 0.76                         | 0.20         |
| Gratuity Provision [*]  | -2.10                        | 1.04         |
| <b>Total</b>  | <b>-1.34</b>                 | <b>-0.84</b> |
|   | 59.06                        | 32.65        |

[\*] The company has amortised the preliminary expenses over more than one year. As per the requirement of the accounting standards, the same is required to be expensed out in the year in which the same is incurred. Hence the same is adjusted in the opening Retained earnings.

[\*\*] The company has not made gratuity provision till the year ended March 31, 2016. The company has recorded cumulative liability towards Gratuity in the financial year 2016-17. Accordingly, an adjustment is made to reflect the same accounting policy in respect of provision for gratuity in all the previous period reported in this financial statement.

B Regrouping / Reclassifications made to the audited financial statements:

The financial information of the previous years have been regrouped / reclassified to conform to the current year regrouping / reclassification.

The accompanying summary of significant accounting policies and notes to Standalone summary statement (Annexure-5A ) are an integral part of this statement

**As per our report of even date**  
**For Mukesh M Shah & Co.**  
Chartered Accountants  
Firm Registration No: 106625W

**For and on behalf of the Board of Directors**

Director

Director

**Karnik K Shah**  
**Membership No : 129675**

Company Secretary

Chief Financial Officer

**Place :** Ahmedabad  
**Date :** 22/09/2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Information as of and for the years ended March 31, 2018, 2017 and 2016. Our Restated Financial Information for the Financial Year 2018 and 2017 is prepared under Indian Accounting Standards (“**Ind AS**”) and our Restated Financial Information for Financial Year 2016 has been prepared as proforma Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 and other relevant provisions of the Companies Act, 2013, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectus (Revised 2016)” issued by the ICAI. For Financial Years 2014 and 2015, our Restated Financial Statements are prepared and presented in accordance with Indian GAAP. For further details, please refer section “Financial Statements” on page 203 this Draft Red Herring Prospectus.*

*As required by applicable law, we transitioned from Indian GAAP to Ind AS and for the purposes of transition to Ind AS, we have followed the guidance prescribed in “Ind AS 101 - First Time adoption of Indian Accounting Standard”. Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. As a result, the Restated Consolidated Financial Statements may not be comparable to our historical financial statements. For a reconciliation of Indian GAAP to Ind AS, please see, “Financial Statements – Reconciliations between previous GAAP and Ind AS”. Please also see “Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition.” on page 19 this Draft Red Herring Prospectus.*

*Our fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.*

*This discussion contains 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 “Risk Factors” and “Forward-Looking Statements” on pages 19 and 17, respectively this Draft Red Herring Prospectus.*

### **Overview:**

We are engaged in the business of providing passenger mobility solutions across various modes of surface transport in India with an operational fleet of over 750 passenger vehicles and over 430 Smart Bikes. We are one of the leading fleet bus operators in India for inter-city and intra-city passenger mobility operations (*Source: CRISIL Report*). We provide inter-city passenger mobility solutions through our bus operations largely focused in Central and Western India with an expanding footprint in Northeastern India. We also provide services to state transport undertakings (“STUs”) for their intra-city passenger mobility operations in the form of city buses and bus rapid transit system (“BRTS”). Further, we also provide passenger mobility solutions in three other business segments, which are: (i) school buses and staff buses for corporate customers, (ii) automated public bicycle (“**Smart Bike**”) sharing system and (iii) rental and self-drive cars. With a focus on strategic backward integration, we have developed an in-house body designing and building facility for the buses for our own use and for supply to third parties including STUs.

We commenced our operations in Fiscal 2010 with a fleet of 15 buses in the intra-city segment for BRTS Ahmedabad) and have grown our fleet to a total of over 700 operational buses in our inter-city and intra-city segment, as well as our school and staff buses as on August 31, 2018. Further, as on August 31, 2018, our fleet also comprised of over 430 Smart Bikes and over 45 rental and self-drive cars. For details of our fleet, please see “- *Bus Fleet*” on page 159 of the Draft Red Herring Prospectus. However, our operations are primarily focused on our inter-city bus operations in which we serviced over 2.44 million passengers and our intra-city operations which covered over 34 million kilometres, in Fiscal 2018. We believe that owning the majority of our operational fleet enables us to significantly reduce hiring and operational costs and provide reliable services to a large addressable market across a broad geographic spectrum.

We provide inter-city passenger mobility solutions through our widespread transportation network, which spanned across a total of 26 cities in the state of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra, as on August 31, 2018. For our inter-city passenger mobility operations, we operate over 120 buses driven by over 250 drivers who are in the full-time employment of our Company. In this segment, our buses serviced over 2.44 million passengers in Fiscal 2018 over several routes covering cities with high density urban commuter markets such as Indore, Ahmedabad, Pune, Mumbai, Jaipur and Bhopal among others. We also connect metropolitan, tier-II and tier-III cities, such as Bhuj, Udaipur, Ratlam, Jabalpur, Shirdi, Jamnagar and Kota. Additionally, we have recently entered into an agreement with the Assam State Transport Corporation (“ASTC”) for operation of buses for inter-city transport between certain cities in Northeastern India. Majority of our buses covering inter-city routes are equipped with amenities such as Wi-Fi, charging points, reading lights, CCTV cameras and GPS tracking services.

The ticketing facilities for our inter-city passenger mobility operations are provided by us through various channels such as our website [www.charteredbus.in](http://www.charteredbus.in), mobile application ‘Chartered Bus’, our own branch offices, as well as through online travel agents. Using our website, customers can review the availability and fares of tickets of any route and stoppage of our buses and book the tickets. Our mobile application is available for customers allowing them to manage bookings. We have also set up a dedicated control room in Indore for our inter-city operations which:

- provides for the tracking and managing of services for the fleet deployed;
- allows us to co-ordinate responses for break-downs;
- enables the managing of call center operations for customer booking & complaints.

As regards our intra-city operations, we are one of the leading players in the segment and provide passenger mobility solutions to Ahmedabad Janmarg Limited (“AJL”) and to Atal Indore City Transport Services Limited (“AiCTSL”) for their bus rapid transit system (“BRTS”). Additionally, we are also one of the city bus service providers to AiCTSL, as well as the Ahmedabad Municipal Transport Services (“AMTS”) and Surat Municipal Corporation (“SMC”). Our intra-city operations have been ongoing since the Fiscal 2010. In this segment as on August 31, 2018 we had over 550 operational buses including over 205 buses for BRTS operations and over 340 buses for other intra-city operations. For Fiscal 2018, buses operated by us as part of intra-city operations covered over 34 million kilometres.

Additionally, we have recently forayed into a public Smart Bike sharing system. Our Smart Bike sharing operations are currently functional in Bhopal, with a fleet of over 430 Smart Bikes as on August 31, 2018. Our customers can locate our designated bike stations and rent our Smart Bikes from one of 88 docking stations in Bhopal using our mobile application called ‘Chartered Bike’. We are currently also setting up operations in Ranchi under a service contract agreement with the Ranchi Smart City Corporation Limited (“RSCCL”) for supply and management of a fleet of 1,200 Smart Bikes.

In addition to our inter-city and intra-city passenger mobility solutions, we provide student transportation services to schools in Ahmedabad in the form of school buses. Further, we also provide staff bus services which cater to the passenger mobility needs of various corporates. Majority of our school and staff buses are equipped with LCD screens, CCTV cameras, fire extinguishers and GPS tracking systems for ensuring the safety and comfort of passengers. Additionally, we are also involved in the car rental services segment.

We have developed an in-house bus body designing and fabrication facility at Ahmedabad. We also perform periodic preventive and remedial maintenance of our buses at this facility. By virtue of our in-house bus fabrication capabilities, we are also able to provide buses with the bodies customized as per the technical requirements of our customers. We believe that this gives us an edge over our competitors in the passenger mobility industry, who supply standard built buses. In the last three Fiscals, we built a total of 475 buses, of which 276 were for our operations and 199 were for third parties.

Our management team is led by our Promoter and Managing Director, Pankaj Kumar Gandhi who has over twenty three years of experience in the industry. As on August 31, 2018, our Company had 2,562 employees, out of which 1,240 are drivers. We recruit drivers based on our internal selection and screening process wherein we check their driving experience, government documents like driving license, police verification, Aadhar and other personal

evaluations, including physical examinations, before recruitment. Our employees are integral to our business, which requires a strong and dedicated workforce spread across a total of 26 cities for consistent smooth operations.

### **Significant factors affecting our results of operations and financial condition**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section “*Risk Factors*” on page 19 of this Draft Red Herring Prospectus. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

#### **Fuel costs and other variable operational expenses**

Our profitability is significantly impacted by our operational expenses. Our primary costs include fuel cost, tyre-expenses, insurance expenses, employee costs and vehicle related costs such as toll tax, RTO costs, parking costs, vehicle running, repair and maintenance costs. These expenses generally vary with the distance travelled by our fleet, fleet age, efficiency and other factors, many of which may be beyond our control. Fuel costs represent the most significant proportion of our operating expenses, and any changes in fuel costs may have a significant impact on our business operations and results of operations. In Fiscals 2016, 2017 and 2018, fuel costs represented 37.41%, 38.76% and 42.21%, respectively, of our total expenses, and 34.35%, 35.40% and 39.01%, respectively, of our total income.

In our inter-city bus operations, we generally address any increases in fuel costs through periodic increases in passenger ticket prices. Although we generally endeavor to pass on increases in fuel costs to our customers, sometimes we may have to absorb the increases in costs which may adversely affect our business and results of operations. We have historically been able to pass a significant portion of long-term increases in fuel prices and related taxes on to our customers in the form of increases in our base freight rate. However, the GoI has recently deregulated the price of fuel, leading to significant movement in the price of fuel linked to global fuel prices. We expect our fuel costs to vary significantly as a result of such changes in price.

#### **Composition of our fleet**

The size, age and composition of our fleet have a significant impact on our financial condition and results of operations. Our results of operations are dependent on the availability of adequate vehicles for passenger traffic of our customers. Our fleet mix is optimized to cater to the requirements of various customer segments in our bus operations business. The following table sets forth certain information relating to our fleet of vehicles used in our passenger transportation business that were owned by us as of August 31, 2018:

| <b>As at and for period ended</b> | <b>March 31, 2014</b> | <b>March 31, 2015</b> | <b>March 31, 2016</b> | <b>March 31, 2017</b> | <b>March 31, 2018</b> | <b>August 31, 2018</b> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| # buses                           | 225                   | 378                   | 458                   | 681                   | 721                   | 707                    |
| # cabs                            | NA                    | NA                    | NA                    | NA                    | 66                    | 48                     |
| # bikes                           | NA                    | NA                    | NA                    | NA                    | NA                    | 436                    |

We intend to use part of the Offer Proceeds for the expansion of our fleet of passenger transportation vehicles. However, an increase in the size of our fleet without commensurate increase in passenger traffic may adversely affect our results of operations.

#### **Competition**

The passenger transportation industry is extremely competitive and highly fragmented. We compete with State owned road transport corporations and a variety of local, regional and inter-regional private bus operators. We expect competition to intensify due to the possibility of new entrants in the market and existing competitors further expanding their operations. Increased competition in intercity and intra-city bus operations could adversely affect our market share.

#### **Passenger traffic**

Our intercity bus operations depend on passenger traffic and state-regulated fares. The management endeavors to maximize seat occupancy and thus, revenue per bus that we operate. We have introduced various kinds of buses to address the requirements of various customer segments, and have in recent years increased our focus on deploying luxury buses with adequate scheduling. Customers increasingly expect to be able to buy tickets and manage their travel plans through a variety of digital platforms. We have mobile applications as well as our website [www.charteredbus.in](http://www.charteredbus.in) through which customers can book tickets for their journeys. We believe these applications will help increase business' ability to capitalize on valuable customer data to enable commercial initiatives.

#### **Availability of drivers and employee costs**

Our bus operations are significantly dependent on our ability to attract, recruit and retain a sufficient number of experienced drivers. We endeavor to hire experienced drivers who help us reduce operations and maintenance costs with their expertise in driving buses. Shortages in experienced drivers and other key staff can disrupt operations and may also increase the number of our idle vehicles, inhibiting growth.

#### **General Economic Conditions and Road Infrastructure in India**

Our operations and business prospects are affected by general economic conditions in India and in particular economic factors that affect passenger transportation in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth. Our passenger transportation business depends on existing road infrastructure in India to address the growth in volume of passenger traffic and to provide quality, secure and reliable services. Although the GoI has announced various programs for the expansion and improvement of the road infrastructure in India, there may be constraints relating to quality of roads that might impact our business.

#### **First time adoption of Ind AS**

The accounting policies set out in the notes and annexures to the Restated Financial Statements have been applied in preparing the Restated Consolidated Financial Statements for the year ended March 31, 2018, the comparative information presented in these Restated Consolidated Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016.

#### **Exemptions and exceptions availed:**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

#### **Deemed cost:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Consolidated Financial Statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments required under other Ind AS. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, we have elected to measure all of our property, plant and equipment and intangible assets at our Indian GAAP carrying values.

#### **Leases:**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. We have elected to apply this exemption for such contracts/ arrangements.

#### **Designation of previously recognized financial instruments:**

Ind AS 101 allows an entity to designate investments in equity instruments/ Mutual Funds at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. We have elected to apply this exemption for its investment in equity investments (other than investment in subsidiaries/ associates) and Mutual Funds.

### **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at March 31, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP.

### **Classification of financial assets:**

As per the requirements of Ind AS 101, we assess classification of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### **De-recognition of financial assets and liabilities:**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. We have followed such policy.

### **Business combinations:**

The Company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations. The Company has applied and shall the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

### **Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this Draft Red Herring Prospectus.

#### **1. Basis of preparation:**

- A. The consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
- B. For all periods up to and including the year ended March 31, 2017, the Company had prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

We have adopted Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as notified under Section 133 of the Companies Act, 2013 for these consolidated financial statements beginning April 01, 2017. As per the principles of Ind AS 101, the transition date to Ind AS is March 31, 2016 and hence the comparatives for the previous year ended 31 March 2017 and balances as on 1 April 2016 have been restated as per the principles of Ind AS, wherever deemed necessary. Reconciliations and descriptions of the effect of the transition have been summarized in the Restated Consolidated Financial Statements.

The proforma consolidated financial information as at and for the year ended March 31, 2016, is prepared in accordance with the requirements of the applicable SEBI circular and Guidance Note on Reports in Company Prospectuses, as revised and issued by ICAI. As envisaged by the SEBI circular, we have followed the same accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma consolidated financial

information for the Fiscal 2015-16 and accordingly suitable restatement adjustments in the accounting heads have been made in the proforma consolidated financial information. This proforma Ind AS consolidated financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP Consolidated financial statements as at and for the year ended March 31, 2016. The material adjustments made to the reported profit as per the audited consolidated financial statements (after making Ind AS adjustments) of the respective years have been summarized in the Restated Consolidated Financial Statements.

- C. The consolidated financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
  - i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
  - ii. Defined benefit plans

## **2. Basis of Consolidation:**

- A. The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at March 31, 2018. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:
  - a. Power over the investee (i.e. existing rights that give us the current ability to direct the relevant activities of the investee)
  - b. Exposure, or rights, to variable returns from our involvement with the investee, and
  - c. The ability to use our power over the investee to affect our returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether we have power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee;
  - b. Rights arising from other contractual arrangements;
  - c. Our voting rights and potential voting rights;
  - d. 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
- B. We re-assess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date we gain control until the date we cease to control the subsidiary.
  - C. Consolidated financial statements ("CFS") 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 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 consolidated financial statements to ensure conformity with the group's accounting policies.
  - D. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date, i.e., year ended on March 31.

### **3. Business Combinations and Goodwill:**

- A. In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply IndAS accounting for business combination prospectively from March 31, 2016. As such Indian GAAP balances relating to business combinations entered into before the date including Goodwill have been carried forward.
- B. Business Combinations are accounted for using the acquisition method. The Cost of an acquisition is measured at the aggregate of the consideration transferred at acquisition date fair value. Acquisition related cost are expensed as incurred.
- C. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements acquired in a business combination are recognised and measured in accordance with Ind AS-12 “Income Tax” and Ind AS-19 “Employee Benefits” respectively.
- D. When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.
- E. Goodwill is initially measured at the excess of, the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as Capital Reserve, without routing the same through OCI.
- F. After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value, less any accumulated impairment. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
- G. A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any Goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for Goodwill is recognised in Statement of profit and loss. An impairment loss recognised for Goodwill is not reversed in subsequent periods.
- H. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### **4. Investment in Associates:**

- A. The Company's investments in its associates are accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint ventures since the acquisition date.
- B. The Statement of profit and loss reflects the Company's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associates, the Company recognises its share of any changes, when applicable, in the Statement of changes in equity.
- C. If an entity's share of losses of associates equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Company's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
- D. The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.
- E. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as "Share of profit/Loss of associates" in the Statement of profit and loss.

## 5. Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Critical estimates and judgments:

Income Taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and possibility of utilisation of Minimum alternate Tax (MAT) credit in future.

Property, plant and equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Employee Benefits:

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, attrition rate etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

Product warranty and claims:

Significant judgments are involved in provisioning the estimated warranty claims against the bus body supplied by the Company

Impairment of assets and investments:

Significant judgment is involved in determining the estimated future cash flows from the investments, Property, Plant and Equipment and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

Contingent Liabilities:

Significant judgement is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

## **6. Foreign Currency Transactions:**

- A. Our consolidated financial statements are presented in INR, which is the functional and presentation currency. The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.
- B. Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognized in the Statement of Profit and Loss.

## **7. Revenue Recognition:**

- A. Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured and it is reasonable to expect the ultimate collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.
- B. Service tax/ Value Added Tax / Goods and Service Tax is not received by us on its own account. Rather, it is tax collected on value added to the Goods by us on behalf of the government. Accordingly, it is excluded from revenue.
- C. The specific recognition criteria described below must also be met before revenue is recognized.
  - a. Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, 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 and allowances, trade discounts and volume rebates.

Revenue from sales is based on the price agreed with the parties, net of discounts/ claims. Historical experience is used to estimate and provide for damage claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by us.

- b. Service Income:

Income from Bus transportation is recognized as and when the transportation services are provided, i.e. when the service is rendered and are recognized net of service tax/ GST, as applicable.

Income from parcel is recognised when the goods/documents are delivered and are recognized net of service tax/GST, as applicable.

c. Interest Income:

For all debt instruments measured at amortized cost interest income is recorded using the effective interest rate (EIR). 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 or to the amortized cost of a financial liability. When calculating the effective interest rate, we estimate the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

d. Dividend:

Dividend income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend or interim dividend declared by the Board.

e. Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

8. Taxes on Income:

Tax expenses comprise of current and deferred tax.

A. Current Tax:

- a. Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Current tax items are recognised in correlation to the underlying transaction either in statement of profit and loss, OCI or directly in equity.

B. Deferred Tax:

- a. 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.
- b. Deferred tax liabilities are recognised for all taxable temporary differences.
- c. Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.
- d. 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- e. Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g. 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.

## **9. Property, Plant and Equipment:**

- A. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an item of tangible property, plant and equipment comprises its purchase price, including freight, duties and taxes to the extent not recoverable from tax authorities and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance charged to the statement of profit and loss during the reporting period in which they are incurred. On transition to Ind AS, we have elected to continue with the carrying value of all its property, plant and equipment recognized as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

- B. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C. Depreciation on tangible assets is provided on "written down value method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in case of used vehicles, where the life is estimated by the management considering the conditions of the vehicles and the useful life of such vehicles ranges between 3-6 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.
- D. Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.
- E. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.
- F. Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100% in the year of purchase.
- G. Capital work in progress is stated at cost less accumulated impairment loss, if any. All other repair and maintenance costs are recognized in statement of profit or loss as incurred, unless they meet the recognition criteria for capitalization under Property, Plant and Equipment.
- H. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

## **10. Intangible Assets:**

Rights to collect fare from users:

The cost incurred by us towards installation, operation and maintenance of the Public Bike Sharing System (net of capital cost contribution received / receivable from Bhopal Smart City Development Corporation Limited) is capitalized as intangible assets. Till the start of the project as per the terms of the contract, the same is recognized under intangible assets under development.

Other intangibles:

- A. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.
- B. Internally generated intangibles are not capitalized and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.
- C. Capitalized cost incurred towards purchase/ development of software is amortized using written down method over its useful life of three year as estimated by the management at the time of capitalization.
- D. An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

## **11. Amortisation of intangible assets:**

Public bike sharing rights are amortized over the period of concession using the Straight Line amortization method.

## **12. Borrowing Costs:**

- A. Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B. Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use and such period is more than one year.

## **13. Impairment of Assets:**

The Property, Plant and Equipment and Goodwill acquired in a business combination are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **14. Inventories:**

Inventories are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective, unserviceable and slow/non moving stocks, if any are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

#### **15. Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

#### **16. Leases:**

Leases in which significant portion of the risk and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating lease are charged to statement of profit and loss on straight-line-basis over the period of the lease.

As a lessee:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

Lease under which we assume potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalised at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on straight line basis in Net Profit in the statement of profit and loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where we are the lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **17. Provisions, Contingent Liabilities and Contingent Assets:**

- A. Provisions are recognised when we have a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognised but are disclosed separately in the consolidated financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in consolidated financial statements.
- B. 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.

#### **18. Employee Benefits:**

A. Short term obligations:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B. Long term employee benefits obligations:

a. Defined Benefit Plans:

Gratuity:

We operate a defined benefit gratuity plan. The Liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. Such costs are included in employee benefit expenses in the statement of profit and loss.

Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

We recognise the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;
- ii. Net interest expense or income.

b. Defined Contribution Plans:

Provident Fund Contribution:

Eligible employees of the group receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employees benefit expenses when they are due in the statement of profit and loss.

## **19. Dividends:**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the parent's Board of Directors.

## **20. 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.

A. Financial assets:

a. Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the settlement date, trade date, i.e., the date that we settle commits to purchase or sell the asset.

b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

Debt instruments at amortized cost:

A debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held with an objective of collecting contractual cash flows:

Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate EIR method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss.

Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

c. Derecognition:

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) We have transferred our rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained. When we have transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d. Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost;
- b. Trade receivables or any contractual right to receive cash or another financial asset

We follow 'simplified approach' for recognition of impairment loss allowance on Point (b) provided above. The application of simplified approach does not require us to track changes in credit risk. Rather, it requires us to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, we determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet which reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics.

B. Financial liabilities:

a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

Subsequently all financial liabilities are measured as amortized cost, as described below:

c. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of 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 amortization is included as finance costs in the statement of profit and loss.

d. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C. Reclassification of financial assets:

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Our senior management determines change in the business model as a result of external or internal changes which are significant to the our operations. Such changes are evident to external parties. A change in the business model occurs when we either begins or ceases to perform an activity that is significant to its operations. If wereclassify financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 21. Fair Value Measurement

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:

- a. In the principal market for the asset or liability, or
- b. 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 to us.

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 other market participant that would use the asset in its highest and best use. We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing 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 fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- c. 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 recognized in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **22. Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **Principal Components of our Statement of Profit and Loss**

The following descriptions set forth information with respect to the key components of our Restated Consolidated Financial Statements.

### **Revenue**

#### **Revenue from Operations**

Our revenue from operations comprises revenue from (i) bus operations, (ii) taxi operations, (iii) cargo, parcel income, and other operations. We primarily earn revenue from bus transport operations. Revenues from bus transport operations represented 86.27%, 85.42%, and 94.46% of our revenues from operations in Fiscals 2016, 2017 and 2018 respectively. Revenue from inter-city bus operations primarily represents sale of tickets and revenue from intra-city bus operations is derived from contracts awarded to us. In addition, we also earn revenue from advertisements and commercial cargo in our inter-city buses.

#### **Other Income**

Our other income primarily comprises: (a) interest income on financial assets measured at amortized cost; (b) profit on sale of property, plant and equipment; (c) miscellaneous income.

#### **Expenses**

Our total expenses primarily comprise: (a) cost of material consumed; (b) purchase of stock in trade; (c) changes in inventories of traded goods; (d) operating expenses; (e) employee benefits expenses; (f) finance costs; (g) depreciation and amortization expense; and (h) other expenses.

#### **Cost of material consumed**

Bus body material cost are our costs of material consumed. The primary raw materials involved in the manufacture of bus body includes steel pipes and aluminum roll.

#### **Purchase of stock in trade and changes in inventories of traded goods**

Cost of motor oils and lubricants, tyres and heavy vehicle spares, canteen purchase and other expenses includes purchase of stock in trade. Changes in inventories of traded goods attributable to an increase or decrease in inventory levels during the relevant financial period.

#### **Operating Expenses**

Operating expenses include direct expenses for operating our vehicles and other indirect operating expenses. In Fiscals 2016, 2017 and 2018, calculated as a percentage of total revenue, operating expenses were 52.12%, 52.75% and 58.78%, respectively.

Our operating expenses primarily include: (i) fuel cost; (ii) vehicle running, repairs and maintenance costs; (iii) toll charges, RTO and parking expenses; (iv) tyre expenses; (v) royalty; (vi) insurance; (vii) commission; (viii) sub merchant charges; and (ix) other operating expenses.

Fuel cost is the most significant component of our operating expenses. Fuel costs depend on consumption and fuel prices. Fluctuations in fuel prices are beyond our control. Vehicle running, maintenance and repair expenses include scheduled and unscheduled maintenance for our vehicle fleet, engines and other spare parts.

### Employee benefits expense

Employee benefit expenses comprise (i) salaries and wages; (ii) gratuity; (iii) contribution to provident and other funds; and (iv) staff welfare expenses. In Fiscals 2016, 2017 and 2018, calculated as a percentage of total income, employee benefit expenses were 12.89%, 15.21%, and 16.88%, respectively.

### Finance Costs

Finance costs primarily include interest expense, bank commission and other borrowing costs. Interest expenses include interest paid on term and working capital facilities, bank loans and bank guarantees. In Fiscals 2016, 2017 and 2018, calculated as a percentage of total revenue, finance costs were 3.10%, 2.25%, and 2.20%, respectively.

### Other expenses

Other expenses primarily include expenses relating to travelling and conveyance, printing and stationery, professional and legal expenses, payment to auditors, office expenses, communication expenses, advertisement and business promotion, write off of advances and bad debt, any provision for doubtful advances and debt, other bank charges, donations, and miscellaneous expenses.

### Taxation

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

### Results of operations

The following table sets forth a breakdown of our consolidated results of operations for Fiscal 2016, Fiscal 2017 and Fiscal 2018 and each item as a percentage of our total income for the periods indicated.

| Particulars                 | Fiscal 2018     |                   | Fiscal 2017     |                   | Fiscal 2016 Proforma |                   |
|-----------------------------|-----------------|-------------------|-----------------|-------------------|----------------------|-------------------|
|                             | (₹ in million)  | % of total income | (₹ in million)  | % of total income | (₹ in million)       | % of total income |
| Revenue from Operations     | 2,562.76        | 99.10             | 2,370.02        | 97.56             | 2,013.41             | 99.73             |
| Other Income                | 23.27           | 0.90              | 59.35           | 2.44              | 5.51                 | 0.27              |
| <b>Total Income</b>         | <b>2,586.03</b> | <b>100.00</b>     | <b>2,429.37</b> | <b>100.00</b>     | <b>2,018.92</b>      | <b>100.00</b>     |
| <b>Expenses:</b>            |                 |                   |                 |                   |                      |                   |
| Cost of Materials Consumed  | -               | -                 | 96.78           | 3.98              | 0.33                 | 0.02              |
| Purchases of Stock-in-Trade | 14.28           | 0.55              | 104.51          | 4.30              | 190.81               | 9.45              |

|   |          |        |          |       |          |        |
|---|----------|--------|----------|-------|----------|--------|
| Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade | 0.60     | 0.02   | 10.11    | 0.42  | (4.32)   | (0.21) |
| Operating expenses  | 1,520.01 | 58.78  | 1,281.53 | 52.75 | 1,052.29 | 52.12  |
| Employee Benefits Expense   | 436.52   | 16.88  | 369.45   | 15.21 | 260.26   | 12.89  |
| Finance costs   | 56.91    | 2.20   | 54.61    | 2.25  | 62.53    | 3.10   |
| Depreciation, amortization and impairment expense                             | 246.23   | 9.52   | 196.45   | 8.09  | 202.90   | 10.05  |
| Other Expenses  | 115.49   | 4.47   | 105.79   | 4.35  | 89.39    | 4.43   |
| Total Expenses  | 2,390.04 | 92.42  | 2,219.24 | 91.35 | 1,854.19 | 91.84  |
| Profit before Tax   | 195.99   | 7.58   | 210.14   | 8.65  | 164.73   | 8.16   |
| Less: Tax Expense:  |          |        |          |       |          |        |
| Current Tax   | 91.71    | 3.54   | 58.87    | 2.42  | 67.05    | 3.32   |
| Deferred Tax  | (17.26)  | (0.67) | 6.07     | 0.25  | (5.45)   | (0.27) |
| MAT   | (2.82)   | (0.11) | 3.72     | 0.15  | (1.93)   | (0.10) |
| Prior year tax adjustment   | -        | -      | -        | -     | (3.12)   | (0.15) |
|   | 71.63    | 2.77   | 68.66    | 2.83  | 56.55    | 2.80   |
| Profit for the year before Profit / (Loss) of Associate:                      | 124.36   | 4.81   | 141.48   | 5.82  | 108.18   | 5.36   |
| Add/ (Less): Share of Profit / (Loss) of Associate (Net of tax)               | -        | -      | -        | -     | -        | -      |
| Total Comprehensive Income for the Year                                       | 124.09   | 4.80   | 140.70   | 5.79  | 109.29   | 5.41   |

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   | Fiscal 2018 |                                 | Fiscal 2017 |                                 | Fiscal 2016 Proforma |                                 |
|---|-------------|---------------------------------|-------------|---------------------------------|----------------------|---------------------------------|
|   | (₹ million) | Percent age of total income (%) | (₹ million) | Percent age of total income (%) | (₹ million)          | Percent age of total income (%) |
| Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA) <sup>1</sup> | 499.13      | 19.30                           | 461.20      | 18.98                           | 430.16               | 21.31                           |

<sup>1</sup> Calculated as our Restated Net Profit (Loss) before Tax plus Depreciation and Amortization Expenses plus Finance Costs.

### Fiscal 2018 compared to Fiscal 2017

#### Total income

Our total income increased by 6.45% from ₹ 2,429.37 million in Fiscal 2017 to ₹ 2,586.03 million in Fiscal 2018 due to an increase in our intra-city bus operations in the Fiscal 2018.

#### Bus Operations

Revenue from bus operations increased by 19.57% from ₹ 2,024.48 million in Fiscal 2017 to ₹ 2,420.71 million in Fiscal 2018 reflecting increases in our overall bus operations in the Fiscal 2018. Revenue from inter-city bus operations increased by 12.13% from ₹ 806.82 million in Fiscal 2017 to ₹ 904.67 million in Fiscal 2018 primarily due to increase in bus schedules. The number of buses in our fleet increased by 5.87% from 681 as of March 31, 2017 to 721 as of March 31, 2018. Revenue from intra - city bus operations increased by 22.64% from ₹ 1231.97 million in Fiscal 2017 to ₹ 1510.87 million in Fiscal 2018 primarily due to increase in the operated kilometers in our intra-city bus operations.

### **Taxi Operations**

Revenue from taxi operations increased by 8.26% from ₹ 42.63 million in Fiscal 2017 to ₹ 46.15 million in Fiscal 2018 reflecting increases in operations.

### **Cargo and parcel income**

Cargo and parcel income increased by 121.62% from ₹ 30.44 million in Fiscal 2017 to ₹ 67.46 million in Fiscal 2018. This increase was a primarily on account of increase in our inter-city operations.

### **Sale of products including bus body sale and sale of lubricant and tyres and spares**

Revenue from sale of products including bus body and sale of lubricant and tyres and spares parts decreased by 97.06% from ₹ 253.04 million in Fiscal 2017 to ₹ 7.44 million in Fiscal 2018 due to decrease in orders for bus fabrication and closure of unit selling lubricants, tyre and spares.

### **Other operating revenue**

Other operating revenue decreased by 1.96% from ₹ 19.43 million in Fiscal 2017 to ₹ 19.05 million in Fiscal 2018 primarily on account of decrease in canteen sales and advertisement income.

### **Other Income**

Other income decreased from by 60.79% from ₹ 59.35 million in Fiscal 2017 to ₹ 23.27 million in Fiscal 2018 primarily due to gain on fair value adjustment of investment in Fiscal 2017.

### **Expenses**

Total expenses increased by 7.70% from ₹ 2,219.24 million in Fiscal 2017 to ₹ 2,390.04 million in Fiscal 2018 primarily resulting from an increase in Depreciation, Amortization and Impairment expenses, operating expenses and employee benefit expenses.

### **Operating Expenses**

Operating expenses increased by 18.61% from ₹ 1,281.53 million in Fiscal 2017 to ₹ 1,520.01 million in Fiscal 2018 reflecting the growth in our operations, particularly in the bus operations businesses. Operating expenses increased in Fiscal 2018 primarily due to an increase in fuel costs, vehicle running, repairs and maintenance charges, toll charges, RTO, parking expenses, insurance and submerchant charges.

Fuel expenses increased by 17.30% from ₹ 860.07 million in Fiscal 2017 to ₹ 1,008.84 million in Fiscal 2018 primarily due to increase in consumption of fuel on increase in our overall operations as well as the gradual increase in the cost of fuel in Fiscal 2018.

Vehicle running, repairs and maintenance expenses increased by 15.54% from ₹ 224.41 million in Fiscal 2017 to ₹ 259.29 million in Fiscal 2018 primarily due to the growth in our operations.

Vehicle Toll tax, RTO and parking expenses increased by 33.06% from ₹ 81.70 million in Fiscal 2017 to ₹ 108.71 million in Fiscal 2018 primarily due to the impact of relaxation on toll tax during demonetization period as well as levy of toll on additional routes as well as increase in RTO registration charges and parking charges.

However, tyres expenses decreased by 16.51% from ₹ 63.07 million in Fiscal 2017 to ₹ 52.66 million in Fiscal 2018, primarily due to efficient tyre management processes.

Vehicle insurance increased by 79.98% from ₹ 23.78 million in Fiscal 2017 to ₹ 42.8 million in Fiscal 2018 as a result of additions to our fleet of vehicles in general and an increase in premium charges.

### **Employee Benefits Expense**

Employee benefits expense increased by 18.15% from ₹ 369.45 million in Fiscal 2017 to ₹ 436.52 million in Fiscal 2018 primarily due to increase in employer's contribution towards provident fund and Other funds, increase in the salaries, and expansion of our fleet of vehicles resulting into hiring of more employees.

Salaries and wages expense increased by 15.86% from ₹ 328.01 million in Fiscal 2017 to ₹ 380.04 million in Fiscal 2018 due to an increase in the base salary of employees and increase in the directors' remuneration.

Contribution to provident and other funds increased 47.07% from ₹ 22.71 million in Fiscal 2017 to ₹ 33.40 million in Fiscal 2018 while staff welfare expenses increased by 19.95% from ₹ 15.04 million in Fiscal 2017 to ₹ 18.04 million in Fiscal 2018.

### **Finance Costs**

Finance costs increased by 4.21% from ₹ 54.61 million in Fiscal 2017 to ₹ 56.91 million in Fiscal 2018 primarily due to increase in interest expense & bank commission.

### **Depreciation and Amortization**

Depreciation and amortization expenses increased by 25.34% from ₹ 196.45 million in Fiscal 2017 to ₹ 246.23 million in Fiscal 2018, reflecting the increase in our fleet of vehicles.

### **Other Expenses**

Other expenses marginally increased by 9.17% from ₹ 105.79 million in Fiscal 2017 to ₹ 115.49 million in Fiscal 2018.

### **Profit before Exceptional Item and Tax**

Profit before taxes decreased by 6.73% from ₹ 210.14 million in Fiscal 2017 to ₹ 195.99 million in Fiscal 2018 primarily due to increase in Depreciation and amortization expenses.

### **Taxation (including Deferred Tax)**

Our provision for taxation was ₹ 71.63 million in Fiscal 2018 compared to ₹ 68.66 million in Fiscal 2017.

### **Profit for the Year**

As a result of the foregoing factors, our profit for the year, as restated, decreased by 12.10% from ₹ 141.48 million in Fiscal 2017 to ₹ 124.36 million in Fiscal 2018.

### **Total Comprehensive Income for the Year:**

As a result of the foregoing factors, our profit for the year, as restated, decreased by 11.80% from ₹ 140.70 million in Fiscal 2017 to ₹ 124.09 million in Fiscal 2018.

### **Fiscal 2017 compared to Fiscal 2016 (Proforma)**

#### **Total income**

Our total income increased by 20.33% from ₹ 2018.92 million in Fiscal 2016 to ₹ 2,429.37 million in Fiscal 2017 due to an increase in our inter-city and intra-city bus operations in the Fiscal 2017.

## **Bus Operations**

Revenue from bus operations increased by 16.55% from ₹ 1,736.96 million in Fiscal 2016 to ₹ 2,024.48 million in Fiscal 2017 reflecting increases in our overall bus operations in the Fiscal 2017. Revenue from inter-city bus operations increased by 25.92% from ₹ 640.74 million in Fiscal 2016 to ₹ 806.82 million in Fiscal 2017. Revenue from intra - city bus operations increased by 12.91% from ₹ 1,091.06 million in Fiscal 2016 to ₹ 1,231.97 million in Fiscal 2017. The number of buses in our fleet increased by 48.69% from 458 as of March 31, 2016 to 681 as of March 31, 2017.

## **Taxi Operations**

Revenue from taxi operations decreased by 22.17% from ₹ 54.77 million in Fiscal 2016 to ₹ 42.63 million in Fiscal 2017 primarily due to end of a corporate rental contract in the Fiscal 2016.

## **Sale of products including bus body sale and sale of lubricant and tyres and spares**

Revenue from sale of products including bus body sale and sale of lubricant and tyres and spares parts increased by 26.12% from ₹ 200.63 million in Fiscal 2016 to ₹ 253.04 million in Fiscal 2017 reflecting increase in bus fabrication activity and increase in the sale of spare parts.

## **Other operating revenue such as canteen sales and advertisement income**

Other operating revenue increased by 54.82% from ₹ 12.55 million in Fiscal 2016 to ₹ 19.43 million in Fiscal 2017 due to reflecting increase in canteen sales and advertisement income.

## **Other Income**

Other income increased from by 977.13% from ₹ 5.51 million in Fiscal 2016 to ₹ 59.35 million in Fiscal 2017 primarily due to net gain on investments measured at FVTPL and Profit on sale of property, plant and equipment.

## **Expenses**

Total expenses increased by 19.69% from ₹ 1,854.19 million in Fiscal 2016 to ₹ 2,219.24 million in Fiscal 2017 primarily resulting from an increase in cost of materials consumed, operating expenses and employee benefit expenses.

## **Operating Expenses**

Operating expenses increased by 21.78% from ₹ 1,052.29 million in Fiscal 2016 to ₹ 1,281.53 million in Fiscal 2017 reflecting the growth in our operations, particularly in the bus operations businesses. Operating expenses increased in Fiscal 2017 primarily due to an increase in fuel costs, vehicle running, repairs and maintenance charges, as well as due to increases in toll charges, RTO and parking expenses, tyre expenses, commission and submerchant charges.

Fuel expenses increased by 24.00% from ₹ 693.59 million in Fiscal 2016 to ₹ 860.07 million in Fiscal 2017 primarily due to increase in consumption of fuel on increase in our overall operations as well as the gradual increase in the cost of fuel in fiscal 2017.

Vehicle running, repairs and maintenance expenses increased by 13.04% from ₹ 198.53 million in Fiscal 2016 to ₹ 224.41 million in Fiscal 2017 primarily due to the growth in our operations

Vehicle Toll tax, RTO and parking expenses increased by 15.77% from ₹ 70.57 million in Fiscal 2016 to ₹ 81.70 million in Fiscal 2017, reflecting the increase in toll rates and/ or collection points as well as levy of toll on additional routes as well as increase in RTO registration charges and parking charges.

Tyre expenses increased by 35.29% from ₹ 46.62 million in Fiscal 2016 to ₹ 63.07 million in Fiscal 2017, primarily due to shift in tyre management processes.

Vehicle insurance increased by 7.70% from ₹ 22.08 million in Fiscal 2016 to ₹ 23.78 million in Fiscal 2017 as a result of additions to our fleet of vehicles in general and an increase in premium charges.

### **Employee Benefits Expense**

Employee benefits expense increased by 41.95% from ₹ 260.26 million in Fiscal 2016 to ₹ 369.45 million in Fiscal 2017 primarily due to increase in salaries & wages, contributions to provident fund and other funds and Staff welfare expenses and increase in the number of employees, particularly our pool of bus drivers, as we expanded our fleet of vehicles and grew our operations.

Salaries and wages expense increased by 37.99% from ₹ 237.7 million in Fiscal 2016 to ₹ 328.01 million in Fiscal 2017 due to an increase in the base salary of employees and increase in the directors' remuneration. Our total number of drivers increased from 995 as of March 31, 2016 to 1,171 as of March 31, 2017.

Contribution to provident and other funds increased 88.78% from ₹ 12.03 million in Fiscal 2016 to ₹ 22.71 million in Fiscal 2017 and staff welfare expenses increased by 66.93% from ₹ 9.01 million in Fiscal 2016 to ₹ 15.04 million in Fiscal 2017.

### **Finance Costs**

Finance costs decreased by 12.67% from ₹ 62.53 million in Fiscal 2016 to ₹ 54.61 million in Fiscal 2017 primarily due to decrease in interest expense in Fiscal 2017.

### **Depreciation and Amortization**

Depreciation and amortization expenses decreased by 3.18% from ₹ 202.90 million in fiscal 2016 to ₹ 196.45 million in fiscal 2017 due to increase in fully depreciated buses in fiscal 2017 compared to fiscal 2016.

### **Other Expenses**

Other expenses increased by 18.35% from ₹ 89.39 million in fiscal 2016 to ₹ 105.79 million in fiscal 2017, primarily due advertisement and business promotion expenses and miscellaneous expenses. There were also increases in travelling and conveyance expense, professional and legal expenses. Expressed as a percentage of total revenue, other expenses were 4.35% in fiscal 2017 compared to ₹ 4.43% in fiscal 2016.

### **Profit before Exceptional Item and Tax**

Profit before exceptional items and taxes increased by 27.57% from ₹ 164.73 million in Fiscal 2016 to ₹ 210.14 million in fiscal 2017.

### **Taxation (including Deferred Tax)**

Our provision for taxation was ₹ 68.66 million in fiscal 2017 compared to ₹ 56.55 million in fiscal 2016.

### **Profit for the Year**

As a result of the foregoing factors, our profit for the year, as restated, increased by 30.78% from ₹ 108.18 million in fiscal 2016 to ₹ 141.48 million in fiscal 2017.

### **Liquidity and Capital Resources**

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and capital expenditures, such as material handling equipment, IT equipment, acquisition of new vehicles for our passenger mobility business and investments in plant and machineries. We have met these requirements through a mix of borrowings and cash flows from our operations. Cash in the form of cash on hand, cheques on hand, current accounts at banks and other balances held with banks as short term deposits together represent our cash and

cash equivalents. We held cash and cash equivalents of ₹ 46.65 million, ₹ 91.14 million and ₹ 72.26 million, respectively, in Fiscals 2018, 2017, and 2016. We also held liquid funds, through our investments in mutual fund, term deposits with banks as well as intercorporate deposits, in order to maximize the return of investments on our surplus funds. Such surplus funds were ₹ 148.16 million, ₹ 146.06 million and ₹ 99.38 million, respectively, in Fiscals 2018, 2017 and 2016. The cash surplus available to us and our credit facilities were able to meet all our additional working capital and capital expenditure requirements in Fiscals 2018, 2017 and 2016.

## Cash Flows

The table below summarizes the statement of cash flows, as per our restated summary statements, for the period indicated:

| Particulars  | Fiscal   |          |               |
|--|----------|----------|---------------|
|  | 2018     | 2017     | 2016 Proforma |
| Net cash generated from (used in) operations           | 189.16   | 341.91   | 277.28        |
| Net cash generated from (used in) investing activities | (146.88) | (360.89) | (298.73)      |
| Net cash generated from (used in) financing activities | (76.02)  | 24.58    | 51.92         |
| Net increase/(decrease) in cash and cash equivalents   | (33.74)  | 5.60     | 30.47         |

(₹ in million)

## Operating Activities

Net cash generated from operations in fiscal 2018 was ₹ 189.16 million, while profit before tax was ₹ 195.99 million. The difference was primarily attributable to adjustments for depreciation, impairment and amortisation expense of ₹ 246.23 million, interest expense of ₹ 56.92 million, bad debts written off of ₹ 0.78 million and loss on sale of investment of ₹ 3.08 million which was offset in part by adjustment for profit on sale of property, plant and equipment's ₹ 16.34 million, interest income of ₹ 2.13, provision of employee benefits of ₹ 3.14 million. Further there were also working capital adjustments for increase in trade payables of ₹ 2.51 million and increase in trade receivable of ₹ 37.01 million which were offset by increase in loans and advances and other current assets of ₹ 173.58 million and increase in inventories of ₹ 38.27 million. There were also direct taxes paid (net of refunds) of ₹ 72.60 million.

Net cash generated from operations in fiscal 2017 was ₹ 341.91 million, while profit before tax was ₹ 210.14 million. The difference was primarily attributable to adjustments for depreciation and amortisation expense of ₹ 196.45 million, interest expense of ₹ 54.61 million, advances and bad debts written off of ₹ 0.75 million and provision for employee benefits of ₹ 26.08 million which was offset in part by profit on sale of investments of ₹ 41.80 million, profit on sale of property, plant and equipment of ₹ 6.47 million and interest income of ₹ 5.80 million. Further there were also working capital adjustments for increase in trade receivables of ₹ 47.01 million, decrease in inventories of ₹ 16.22 million and decrease in trade payables of ₹ 8.79 million which were offset by increase in other liabilities of ₹ 36.97 million. There were also direct taxes paid (net of refunds) of ₹ 76.04 million.

Net cash generated from operations in fiscal 2016 was ₹ 277.28 million, while profit before tax was ₹ 164.73 million. The difference was primarily attributable to adjustments for depreciation and amortisation expense of ₹ 202.90 million, interest expense of ₹ 60.40 million and loss on sale of investment of ₹ 6.64 million which was offset in part by interest income of ₹ 3.87 million and profit on sale of plant property and equipment of ₹ 0.27 million. Further there were also working capital adjustments for increase in trade receivables of ₹ 84.45 million and increase in trade payables and other liabilities of ₹ 4.47 million which were offset by increase in loans and advances and other current assets of ₹ 18.90 million and increase in inventories of ₹ 4.33 million. There were also direct taxes paid (net of refunds) of ₹ 52.10 million.

## Investing Activities

Net cash used in investing activities in fiscal 2018 was ₹ 146.88 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 182.22 million and purchase of non-current investment of ₹ 70.84 million offset in part by proceeds from sale of current investment of ₹ 65.66 million, proceeds from sale of plant property and equipment ₹ 27.18 million and interest income of ₹ 2.60 million. There was also redemption of fixed deposits with banks of ₹ 10.74 million.

Net cash used in investing activities in fiscal 2017 was ₹ 360.89 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 365.49 million, purchase of non-current investment of ₹ 136.14 million offset in part by proceeds from sale of current investment of ₹ 134.78 million and proceeds from sale of property, plant and equipment of ₹ 14.17 million and interest income of ₹ 5.07 million. There was also placement of fixed deposits with banks of ₹ 13.28 million.

Net cash used in investing activities in fiscal 2016 was ₹ 298.73 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 276.59 million, purchase of non-current investment of ₹ 8.07 million offset in part by proceeds from sale of fixed assets of ₹ 4.19 million and interest income of ₹ 3.64 million. There was also placement of fixed deposits with banks of ₹ 21.90 million.

### Financing Activities

Net cash used in financing activities in fiscal 2018 was ₹ 76.02 million, primarily representing repayment of long term borrowings of ₹ 180.96 million, and interest paid of ₹ 57.55 million. This was offset in part by proceed from fresh issue of shares of ₹ 25.05 million, non-current borrowings of ₹ 133.65 million and net current borrowings availed of ₹ 3.79 million.

Net cash generated in financing activities in fiscal 2017 was ₹ 24.58 million, primarily representing repayment of long term borrowings of ₹ 562.84 million, and interest paid of ₹ 51.38 million. This was offset in part by net current borrowings availed of ₹ 78.18 million and non-current borrowings of ₹ 560.62 million.

Net cash generated in financing activities in fiscal 2016 was ₹ 51.92 million, primarily representing proceeds from additional long term borrowings amounting to ₹ 590.53 million, and net current borrowings availed amounting to ₹ 32.65 million. This was offset in part by interest paid of ₹ 60.40 million and repayment of non-current borrowing of ₹ 510.86 million.

### Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2018, aggregated by type of contractual obligation:

| Particulars  | As of March 31, 2018 Payment due by period<br>(millions) |                     |                |                         |
|--|--|---------------------|----------------|-------------------------|
|  | Total  | Less than<br>1 year | 1 – 5<br>years | More<br>than 5<br>years |
| 'As per the terms of the contract of Chartered Speed Private Limited with Ahmedabad Janmarg Limited "AJL", a wholly owned subsidiary of Ahmedabad Municipal Corporation, the group is under an obligation to purchase the "Contracted Buses" (i.e. the buses which are owned by the AJL and maintained & operated by the group) after the completion of the contract (in F.Y. 2022-23) at a price fixed in the agreement subject to fulfillment of terms and conditions of the agreement. The group has given a "Adjustable Security Deposit" amounting ₹ 37.80 Million to AJL and the said deposit will be adjusted against the purchase of buses by the group. | 37.80  | NIL                 | NIL            | 37.80                   |
| 'As per the terms of the contract of Chartered Speed Private Limited with Surat Municipal Corporation ("SMC"), the group is under an obligation to purchase the "Chassis of Contracted Buses" [i.e. Chassis of the buses which are owned by the SMC and maintained & operated by the group) after the completion of the contract (in F.Y.  | 40.69  | NIL                 | NIL            | 40.69                   |

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2023-24) at a price fixed in the agreement subject to fulfillment of terms and conditions of the agreement.

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### **Contingent Liabilities and Off-Balance Sheet Arrangements**

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2018:

| <b>Particulars</b>  | <b>Amount (₹ in millions)</b> |
|---|-------------------------------|
| In respect of guarantees given by Banks and/ or counter guarantees given by the group | 121.23                        |
| In respect of Income Tax matters pending before appellate authorities                 | 1.21                          |
| Claims against the group not acknowledged as debts                                    | 2.01                          |

For further information, see Note 27 of our “*Financial Statements*” on page 203 of the Draft Red Herring Prospectus.

Except as disclosed above or in our Restated Financial Statements included in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not enter into derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

### **Historical and Planned Capital Expenditures**

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for the purchase of vehicles and cars for our passenger transportation businesses. In fiscal 2018, 2017 and 2016, our capital expenditure (excluding capital advances) was ₹ 182.22 million, ₹ 365.49 million, ₹ 276.59 million, respectively. We intend to use ₹ 898.56 million from the Net Proceeds of the Offer for funding the purchase of passenger transportation vehicles. Please see “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus for further information on our proposed deployment of funds.

### **Related Party Transactions**

We enter into various transactions with related parties. Primarily these transactions include managerial remuneration, and rental payments. For further information relating to our related party transactions, see our restated financial statements included in the section “*Financial Statements*” beginning on page 203 of this Draft Red Herring Prospectus. Also see “*Risk Factors— We have in the past entered into related party transactions and may continue to do so in the future.*” on page 19 of this Draft Red Herring Prospectus.

### **Quantitative and qualitative disclosures about market risk**

Our Company is incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results.

### **Credit Risks**

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. We are exposed to credit risk from loans and advances to related parties, trade receivables, bank deposits and other financial assets. We periodically assess the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. The majority of our customers are Government Agencies or its Special Purpose Entities. We maintain our cash and cash equivalents and bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits. Credit risk concentration with respect to trade receivables is mitigated by our large customer base. Adequate expected credit losses are recognized as per the assessments.

## **Liquidity Risks**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, we maintain flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## **Interest Rate Risk**

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. We do not have significant exposure to the risk of changes in market interest rates as our long-term debt obligations are at fixed interest rates. However, if we undertake debt obligations to support our working capital needs and capital expenditure in future, we may be exposed to market rate risk due to changes in interest rates on the credit facilities that we may avail from time to time.

## **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

## **Known trends or uncertainties**

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 19 and 310, respectively of this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

## **Future Relationship between Cost and Income**

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 144 and 310, respectively of this Draft Red Herring Prospectus, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

## **Seasonality of Business**

The passenger mobility businesses are not seasonal in nature. However, we witness sporadic periods of increased revenues during festivals and holiday periods.

## **Significant Dependence on a Single or Few Suppliers**

We have historically procured most of our vehicles and spare parts from Ashok Leyland Limited and Tata Motors Limited. As a result of this supplier concentration, we are exposed to risk of dependence on limited supplier. Any delay or non-conformity to quality requirements by our suppliers can impact our ability to meet customer requirements.

## **Auditor's Observations**

Our statutory auditors have made certain observations in our Restated Financial Statements:

Our Statutory Auditors have made certain observations in our IND-AS Restated Consolidated Financial Statements:

**Fiscal 2017**

**A. AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

**(i) Paragraph 8 of the Auditors' report:**

**Basis for Qualified Opinion:**

As detailed in Note 39 to the financial statements, the company's assets include amounts aggregating INR 7.91 Million as at March 31, 2017 and income and expenses include amounts aggregating INR 120.08 Million and INR 114.61 Million respectively for the year ended on that date, in respect of which we were unable to obtain sufficient appropriate audit evidence due to the reasons mentioned in the aforesaid note. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the existence, completeness, carrying value and classification of these amounts and the consequential impact, if any, on the accompanying financial statements.

Note No 39 is reproduced as under:

The company is having one of its divisions at Sirohi district, Rajasthan. This division was in trading business of automobile parts and tyres and oil and lubricants. During the last week of July 2017, this division had faced unexpected floods and all the documents and records pertaining to that division got destroyed in floods and the Company was unable to provide relevant records to the statutory auditors of the Company. The aforesaid division had assets and liabilities aggregating INR 16.86 Million and INR 1.19 Million respectively as at 31 March 2017 and the statement of Profit and Loss includes income and expenses aggregating INR 120.27 Million and INR 122.60 Million respectively for the year ended on that date.

This matter was subject matter for qualification in the year ended March 31, 2017.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

*Management response:* Chartered Speed Limited is having one of its divisions in Sirohi district, Rajasthan. This branch was in trading business of automobile parts, tyres, oil and lubricants. During the last week of July 2017, this branch has faced unexpected record breaking floods. Due to heavy and sudden rainfall, all the documents and records drowned in the flood resulted, company is unable to provide relevant records to the auditors of the company.

**(ii) Paragraph 12 (i) (iv) of Report on other legal and regulatory requirements:**

The company has provided disclosures in Note 34 to the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the bank of accounts maintained by the company. However, owing to the nature of records of the company and in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, permitted/ non-permitted payments and amount deposited in banks.

*Management response:* The management has provided certificate from bankers that the Company has not dealt in SBN in any branch of bankers during the demonetization period i.e. November 8, 2016 to December 30, 2016. Further the auditors have also physically verified cash balance as on March 31, 2017 which also proves that company was not carrying any SBN currency.

**B. AUDITORS' REPORT ON COMPANIES (AUDITOR'S REPORT) ORDER, 2016 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

**(i) Paragraph (iii) of Annexure A of the report:**

The company has granted interest free unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013; and with respect to the same:

- a) We report that the company has granted interest free unsecured loans to three companies, amounting to INR 108.46 Million (as at March 31, 2017 INR Nil) in respect of which adequate explanation has not been provided to us of any benefit accruing to the company for giving such a loan. In the absence of necessary board resolution and other relevant records, we are unable to comment as to whether the terms and conditions of grant of such loans are, prima facie, prejudicial to the interest of the company;
- b) The schedule of repayment of the principal and the payment of interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular.

*Management response:* The Company had given unsecured loans to certain of its Group Companies and one of its Subsidiaries on an interest-free basis. The same had already been repaid by such Group Companies by the end of Fiscal. Further, the Company had ensured that any such transactions in the future will be interest-bearing. Our management believes that the support provided by us to the various Group Companies is directed towards ensuring a consistent supply of parts and services to our Company which is beneficial for all shareholders of our Company.

**(ii) Paragraph (iv) of the report:**

- a) In our opinion, the company has not complied with the provisions of section 185 of the Act in respect of the loans given, the details of the same are as follows:

| Party  | Maximum amount outstanding during the year (₹ Million) | Amount outstanding as at March 31, 2017 (₹ Million) | Remarks, if any   |
|--|--|---|---|
| Chartered Auto Component Private Limited*    | 2.10   | Nil   | The company has given loan and the same has been received back during the year. |
| Chartered Autozone Private Limited           | 10.75  | Nil   |   |
| Chartered Bike Private Limited               | 13.13  | Nil   |   |
| Chartered Marbles Private Limited*           | 4.00   | Nil   |   |
| Sanyam Gandhi#                               | 12.69  | Nil   |   |
| *Common directorship of Pankaj Kumar Gandhi. |  |   |   |
| #Relative of director.                       |  |   |   |

*Management Response:* The auditor has qualified his Report under section 185 of the Companies Act, 2013 and provided his remark on the same. We would like to bring to your attention that Chartered Bike Private Limited and Chartered Marbles Private Limited are Subsidiaries of our Company and we believe that the loans provided to them are in the best interests of the shareholders of the Company. Our management believes that the support provided by

us to the various Group Companies is directed towards ensuring a consistent supply of parts and services to our Company which is beneficial for all shareholders of our Company.

- b) In our opinion, the company has not complied with the provisions of section 186 of the Act. The details of non-compliances are as under-

| Particulars  | Name of the company                      | Amount involved (INR Million) | Balance as at March 31, 2017 (INR Million) |
|--|--|-------------------------------|--|
| Interest free loan given and non-maintenance of register | Chartered Auto Component Private Limited | 21.38                         | Nil  |
|  | Chartered Autozone Private Limited*      | 54.75                         | Nil  |
|  | Chartered Bus Private Limited            | 33.55                         | Nil  |
|  | Chartered Bike Private Limited           | 32.33                         | Nil  |
|  | Chartered Marbles Private Limited*       | 2.85                          | Nil  |
|  | Sanyam Gandhi #                          | 12.69                         | Nil  |
| *Common directorship of Pankaj Kumar Gandhi.             |  |                               |  |
| #Relative of our Director                                |  |                               |  |

*Management Response:* The auditor has qualified his Report under section 186 of the Companies Act, 2013 and provided his remark on the same. We would like to bring to your attention that Chartered Bus Private Limited, Chartered Bike Private Limited and Chartered Marbles Private Limited are Subsidiaries of our Company and we believe that the loans provided to them are in the best interests of the shareholders of the Company. Our management believes that the support provided by us to the various Group Companies is directed towards ensuring a consistent supply of parts and services to our Company which is beneficial for all shareholders of our Company.

**(iii) Paragraph (vii) of Annexure-A of the report:**

- a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.

*Management Response:* During the year under review, there were few instances wherein the Company has delayed in depositing certain statutory dues. The delays were inadvertent and were rectified on expeditious basis once the same were brought to the attention of the management.

**C. AUDITORS' REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING [IFCOFR] UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2017:**

**i) Basis for Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2017:

As detailed in Note 39 to the financial statements, the company did not have sufficient and appropriate audit evidence with respect to revenue, inventory and operating expenses and related assets and liabilities. In absence of sufficient and appropriate audit evidence, we are unable to comment on the design and operating effectiveness of internal controls related to the aforesaid processes, potential misstatement and resultant impact on the profit/ loss and the reserves and surplus as at and for the year ended 31<sup>st</sup> March, 2017.

A "material weakness" is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

Note No 39 is reproduced in the our paragraph 8 (h) (iv) (B) of the consolidated report mentioned above . This matter was subject matter for qualification in the year ended March 31, 2017.

**Qualified Opinion:**

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has, in all material respects adequate IFCoFR and such IFCoFR were operating effectively as at 31<sup>st</sup> March, 2017, based on internal control financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the company, as at and for the year ended 31<sup>st</sup> March, 2017, and this material weaknesses have affected our opinion on the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.

*Management Response:* It is stated that the aforesaid qualification is with regard to Sirohi division which was in trading business of automobile parts, tyres, oil and lubricants. During the second fortnight of July 2017 this branch faced unexpected rains leading to floods and drowning of records stored at Sirohi division. In light of the same, the Company is unable to provide relevant records to the Auditors of the company.

Our Statutory Auditors have made certain observations in our IND-AS Restated Standalone Financial Statements:

**A. AUDITORS’ REPORT ON COMPANIES (AUDITOR’S REPORT) ORDER, 2016 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018:**

- i) Paragraph 4 of Annexure A of the report:
- a) In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 of the Act in respect of loans given and guarantees given by the company, the details of the same are as follows:

| <b>Name of the Party and relationship</b>  | <b>Nature of transactions</b> | <b>Maximum amount outstanding during the year (INR Million)</b> | <b>Amount outstanding as on 31<sup>st</sup> March, 2018 (INR Million)</b> |
|--|-------------------------------|---|---|
| Chartered Auto Components Pvt. Ltd.<br>Common directorship of Pankaj Kumar Gandhi        | Loan given by the company     | 2.79  | Nil   |
| Chartered Autozone Pvt. Ltd.<br>[Common directorship of Pankaj Kumar Gandhi              | Loan given by the company     | 10.42   | 0.41  |
| Chartered Bike Pvt. Ltd.<br>[Common directorship of Pankaj Kumar Gandhi                  | Loan given by the company     | 25.59   | 25.59   |
| Chartered Marbles Pvt. Ltd.<br>[Common directorship of Mr. Pankaj Gandhi                 | Loan given by the company     | 5.82  | 5.82  |
| Raman Holding Pvt. Ltd.<br>[Common directorship of Pankaj Kumar Gandhi and Kinjal Gandhi | Loan given by the company     | 0.33  | Nil   |
| Rise Auto Pvt. Ltd.  | Loan given by the company     | 4.43  | 4.43  |

| Name of the Party and relationship                                      | Nature of transactions                     | Maximum amount outstanding during the year (INR Million) | Amount outstanding as on 31 <sup>st</sup> March, 2018 (INR Million) |
|---|--|--|---|
| [Common directorship of Pankaj Kumar Gandhi                             |  |  |   |
| Chartered Bike Pvt. Ltd.<br>[Common directorship of Pankaj Kumar Gandhi | Performance Guarantee given by the company | 10.00  | 10.00   |

*Management Response:* We will like to submit that the loans given to Chartered Marbles Private Limited, Chartered Bike Private Limited and Rise Auto Private Limited were to further the business of these Subsidiaries which we believe are in the best interest of all Shareholders of our Company. Our management believes that the support provided by us to the various Group Companies is directed towards ensuring a consistent supply of parts and services to our Company which is beneficial for all shareholders of our Company.

ii) Paragraph 7 of Annexure A of the report:

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not been regular in depositing the amount deducted / accrued in books of account of the company in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues, as applicable, during the year and there have been significant delays in many cases. The details of undisputed dues payable to the authorities as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable are as under-

| Name of the Statute  | Nature of dues             | Amount (INR Million) | Period to which the amount relates | Due date                      | Date of payment     |
|--|----------------------------|----------------------|------------------------------------|-------------------------------|---------------------|
| Employees' Provident Funds & Miscellaneous Provisions Act, 1952  | Provident Fund             | 0.05                 | April-17                           | 15 <sup>th</sup> May, 17      | May, 18             |
|  |                            | 0.006                | July-17                            | 15 <sup>th</sup> Aug., 17     | May, 18             |
|  |                            | 0.004                | Aug-17                             | 15 <sup>th</sup> Sep., 17     | May, 18, Aug., 18   |
| The Finance Act, 1994  | Service Tax                | 2.01                 | June-17                            | 5 <sup>th</sup> August, 17    | April, 18, July, 18 |
|  |                            | 0.13                 | Up to 31 <sup>st</sup> March, 17   | 31 <sup>st</sup> March, 17    | April, 18           |
| Central Goods and Service Tax Act, 2017; State Goods and Service Tax Act, 2017 and Integrated Goods and Service Tax, Act, 2017 | Goods and Service Tax      | 0.02                 | July, 17                           | 28 <sup>th</sup> August, 2017 | June, 18            |
| Employees' State Insurance Act, 1948   | Employees' State Insurance | 0.01                 | April-17                           | 15 <sup>th</sup> May, 17      | May, 18             |
|  |                            | 0.03                 | May-17                             | 15 <sup>th</sup> June, 17     | May, 18             |
|  |                            | 0.03                 | June-17                            | 15 <sup>th</sup> July, 17     | May, 18             |
|  |                            | 0.05                 | July-17                            | 15 <sup>th</sup> Aug., 17     | May, 18 to July, 18 |
|  |                            | 0.02                 | Aug-17                             | 15 <sup>th</sup> Sep., 17     | May, 18 to July, 18 |

*Management Response:* We would like to submit that the aforementioned delays in payment of PF and ESIC are largely on account of late opening of accounts for new joinees. The delays were inadvertent and were rectified on expeditious basis once the same were brought to the attention of the management.

### **Significant developments after March 31, 2018 that may affect our future results of operations**

Except as stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last Restated Financial Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Restated Financial Statements as disclosed in this Draft Red Herring Prospectus.

1. On April 1, 2018 we have divested our entire shareholding in, (a). two of our subsidiaries (i) Chartered Marbles private limited (51%) and (ii) Rise Auto Private limited (75%) (b). One associate company Chartered Autozone Private limited (26%).
2. Our subsidiary Chartered Bus Private Limited has entered into an agreement dated April 27 2018 with Atal Indore City Transport Service Limited for Intercity and Intracity operation in the State of Madhya Pradesh. The project duration is 7 years. Under this agreement our subsidiary is required to deploy 160 buses in accordance with the terms of agreement. This project is under NCC model.
3. Our subsidiary Chartered Bus Private Limited has entered into an agreement dated May 18 2018 with Bhopal City Link Limited for Intercity operation in the State of Madhya Pradesh. The project duration is 7 years. Under this agreement our subsidiary is required to deploy 58 buses in accordance with the terms of agreement. This project is under NCC model.
4. We have also recently entered into an agreement with Assam State Transport Corporation (“ASTC”) on 28 June 2018 to ply inter city buses from Assam to neighboring states. Under the terms of the agreement, we will operate the buses over certain routes from Assam for a fixed royalty payable to ASTC per month. The parking cum maintenance facilities, booking counters on all originating and termination points shall be provided by ASTC. The routes shall be decided by ASTC, however, the schedules for such routes shall be decided by us. ASTC shall allow us to add upto 100 buses over a period of 10 years.
5. We received Letter of Intent dated July 19,2018 from Gujarat State Road Transport Corporation Received and provided it Acceptance vide letter dated July 24, 2018 to Gujarat State Road Transport Corporation for 50 High end service buses for intercity project connecting cities in Gujarat and nearby States. This intercity project is of GCC model for 6 years.
6. Chartered Speed Limited got Letter of Acceptance dated September 07, 2018 from Surat Municipal Corporation for Smart Bike share system of 1160 cycles across Surat city.

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Indian Accounting Standards (Ind AS) comprises of accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and the relevant requirements of the Companies Act, 2013. Indian GAAP comprises of accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and the relevant requirements of the Companies Act, 2013. In certain cases, the Indian GAAP also refers to Guidance Notes issued by the Institute of Chartered Accountants of India.

Please note that this is not an exhaustive list of differences between Ind AS and Indian GAAP; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirements applicable under Ind AS and Indian GAAP.

| Sr. No. | Ind AS  | Area                       | As per IGAAP   | As per Ind AS  |
|---------|---|----------------------------|--|--|
| 1.      | Ind AS 1 - Presentation of Financial Statements | Other Comprehensive Income | There is no concept of “other comprehensive income” under Indian GAAP. | <p>Ind AS-1 requires the presentation of other comprehensive income as part of the financial statements. Other comprehensive income comprises items of incomes and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind ASs. Among other items, the components of other comprehensive income includes:</p> <ul style="list-style-type: none"> <li>• Changes in revaluation surplus;</li> <li>• Foreign exchange translation differences;</li> <li>• Re-measurements of defined benefit plans;</li> <li>• Gains or losses arising on fair valuation of financial assets measured at fair value through other comprehensive income;</li> <li>• Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;</li> <li>• For particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability’s credit risk;</li> </ul> <p>These components are grouped into those that, in accordance with other Ind-As</p> <ul style="list-style-type: none"> <li>• will not be reclassified</li> </ul> |

|  |  |  |   |
|--|--|--|---|
|  |  |  | subsequently to profit or loss, and   |
|  |  |  | <ul style="list-style-type: none"> <li>• will be reclassified subsequently to profit or loss when specific conditions are met.</li> </ul> |
| Ind AS 1 - Statement of Change in Equity: Financial Statements | A statement of changes in equity is currently not presented.   | Ind AS 1 requires presentation of all transactions with equity holders in their capacity as equity holders in the statement of changes in equity.  |   |
|  | Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.   |  |   |
| Ind AS 1 - Other Disclosures of Financial Statements           | There is no specific disclosure requirement under Indian GAAP for: <ul style="list-style-type: none"> <li>• Critical judgments made by the management in applying accounting policies;</li> <li>• Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</li> <li>• Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</li> </ul> | Ind AS 1 requires disclosure of: <ul style="list-style-type: none"> <li>• Critical judgments made by the management in applying accounting policies;</li> <li>• Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</li> <li>• Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</li> </ul> |   |
| Ind AS 1 - Components of Financial Statements                  | Financial statements in relation to a company, includes: <ul style="list-style-type: none"> <li>• Balance sheet as at the end of the financial year;</li> <li>• Profit or loss account for the financial year;</li> <li>• Cash flow statement for the financial year;</li> <li>• Explanatory notes annexed to, or forming</li> </ul>   | A complete set of financial statements under Ind AS comprises: <ul style="list-style-type: none"> <li>• A balance sheet as at the end of the period;</li> <li>• A statement of profit and loss for the period;</li> <li>• Statement of changes in equity for the period;</li> <li>• A statement of cash flows for the period;</li> <li>• Notes, comprising a summary of significant accounting policies</li> </ul>   |   |

|  |                        |  |  |
|--|------------------------|--|--|
|  |                        | part of, any document referred to above.   | and other explanatory information;   |
|  |                        |  | <ul style="list-style-type: none"> <li>• Comparative information in respect of the preceding period; and</li> <li>• A balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.</li> </ul> |
| Ind AS 1 - Reclassification Presentation of Financial Statements                     |                        | Under Indian GAAP, a disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.  | Ind AS requires, when comparative amounts are reclassified, the nature, amount and reason for reclassification to be disclosed.  |
| Ind AS 8 - Changes in Accounting Policies, Changes in Accounting Estimates and Error | in Accounting Policies | Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis together with a disclosure of the impact of the same, if material. If a change in the accounting policy is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect. | Ind AS-8 requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise. |

|  |  |  |
|--|--|--|
| <p>Ind AS 12 - Recognition<br/>Income taxes and<br/>Deferred taxes</p> | <p>Deferred tax is generally recognised for all timing differences. Timing differences are the differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the enacted or the substantially enacted tax rate.</p>   | <p>Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.</p> |
|  | <p>A deferred tax asset should be recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on unabsorbed depreciation and carried forward losses under tax laws should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.</p> | <p>Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.</p>  |
|  | <p>Deferred tax assets and liabilities should be disclosed under a separate heading in the balance sheet of the enterprise, separately from current assets and current liabilities.</p>  | <p>Current tax and deferred tax is recognized outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore, the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.</p>  |

|   |  |  |   |
|---|--|--|---|
| Ind AS 19 - Employee Benefits                                   | Treatment for actuarial gains or losses on retirement benefits | Actuarial gains/ losses for net defined benefit liability (asset) are recognised in profit and loss.   | Employee Benefits requires the impact of remeasurement in net defined benefit liability (asset) to be recognized in other comprehensive income (OCI). Remeasurement of net defined benefit liability (asset) comprises actuarial gains or losses, return on plan assets (excluding interest on net asset/liability). Further, the amount recognized in OCI is not reclassified to the Statement of Profit and Loss.   |
| Ind As 101 - First time adoption of Indian Accounting Standards | Guidance on adoption of accounting standard                    | There is no specific standard. Full retrospective application would be required.   | Ind AS 101 gives guidance on preparation of first Ind AS financial statement. Ind AS grants limited mandatory and voluntary exemptions from full retrospective application.   |
| Ind AS 109 - Financial Instruments                              | Rental and other deposits                                      | Rental deposits are generally accounted as assets at cost.   | Under Ind AS 109, rental deposits are initially recognised at fair value and subsequently carried at amortised cost.  |
| Ind AS 109 - Financial Instruments                              | Fair valuation of Investments                                  | Under Indian GAAP, current investments are measured at lower of cost or market value. Accordingly unrealised increase in the value is not recognised in Income statement, only the unrealised diminution in the value is recognized. Long term investments are measured at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments. | Under Ind AS 109, all financial assets are initially measured at fair value plus, in case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.<br><br>Subsequently, investments can be classified in the following three categories based on the conditions mentioned under Ind AS 109 and accounted for accordingly. <ul style="list-style-type: none"> <li>• Amortised cost;</li> <li>• Fair value through profit or loss;</li> <li>• Fair value through other comprehensive income.</li> </ul> |
| Ind AS 109 - Financial Instruments                              | Borrowings   | Under Indian GAAP, borrowings are carried at their transaction values.   | Under Ind AS, All financial liabilities are initially measured at fair value minus, in case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the   |

|  |                                |  |   |
|--|--------------------------------|--|---|
|  |                                | Subsequently they are measured at principal less repayments, if any.   | financial asset or financial liability.   |
|  |                                | Transaction costs incurred in connection with long term borrowings are charged to statement of profit and loss as no future economic benefits are envisaged.   | An entity shall classify all financial liabilities as subsequently measured at amortised cost except that an entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss if certain criteria is met.<br><br>The transaction costs are amortised to profit or loss using the effective interest method. |
| Ind AS 110 – Consolidated Financial Statements | Non-Controlling Interest (NCI) | Under Indian GAAP, Excess of loss applicable to Minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. | Under Ind AS, Profit or Loss and each component of other comprehensive income should be attributable to the owners of the parent and to the NCI. The total comprehensive income should be attributable to the owners of the parent and to the NCI even if this results in the NCI having a deficit balance.   |

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company and our Subsidiaries together with a brief description of certain significant terms of such financing arrangements. As on August 31, 2018, our total outstanding secured borrowing on consolidated basis, was ₹ 1,157.42 million.

### A. SECURED BORROWING OF OUR COMPANY

| Sr. No.                  | Nature of borrowing/<br>Lender | Amount                 |                                   | Rate of Interest         | Purpose   | Repayment schedule                                | Security Provided   |
|--------------------------|--------------------------------|------------------------|-----------------------------------|--------------------------|---|---|---|
|                          |                                | Sanctioned (₹ million) | Outstanding as on August 31, 2018 |                          |   |   |   |
| <b>DCB Bank Limited</b>  |                                |                        |                                   |                          |   |   |   |
| 1.                       | Cash Credit                    | 50.00                  | 31.88                             | 3 month MCLR + 0.10%     | For pre-sale and post-sale working capital requirement of the Company | On Demand / 90 Days from the date of distribution | First Charge on the following Current Assets of the Company on <i>Pari Passu</i> basis with other secured working capital lenders:- <ul style="list-style-type: none"> <li>• Plant and Machinery and other movable assets</li> <li>• Book Debts</li> <li>• Stocks</li> <li>• Unencumbered Commercial Vehicles</li> </ul>  |
| 2.                       | Bank Guarantee                 | 100.00                 | 98.64                             | 0.60% plus GST           | For bidding the tender and earnest money deposit                      | On due date                                       |   |
| <b>IDBI Bank Limited</b> |                                |                        |                                   |                          |   |   |   |
| 3.                       | Cash Credit                    | 10.00                  | 0.14                              | MCLR + 125 bps per annum | Working Capital requirement   | On demand   | <p><b>Primary:</b> First <i>pari passu</i> charge by way of hypothecation on all the current assets present and future including stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book debts, bills whether documentary or clean, outstanding ones receivables etc.</p> <p><b>Collateral:</b> Exclusive charge over vehicles worth Rs. 11.25 Crore (latest insured value) i.e. asset cover of minimum 0.75 times. Only vehicles of 7 years or less than 7 years and minimum insurance value of Rs. 10 Lakh shall be acceptable.</p> |

| Sr. No.                  | Nature of borrowing/<br>Lender | Amount                 |                                   | Rate of Interest   | Purpose                     | Repayment schedule | Security Provided   |
|--------------------------|--------------------------------|------------------------|-----------------------------------|--|-----------------------------|--------------------|---|
|                          |                                | Sanctioned (₹ million) | Outstanding as on August 31, 2018 |  |                             |                    |   |
|                          |                                |                        |                                   |  |                             |                    | Company shall provide placement collateral annually during renewal of limits if asset has a higher vintage (more than 7 years) or lower insurance value (below minimum stipulated Rs. 10 Lakh).<br><br>Pankaj Kumar Gandhi and Alka Pankaj Gandhi |
| 4.                       | Bank Guarantee                 | 140.00                 | 116.77                            | Performance: 0.75% per annum + taxes<br><br>Financial: 1.30% per annum + taxes | Working Capital requirement | On due date        |   |
| <b>HDFC Bank Limited</b> |                                |                        |                                   |  |                             |                    |   |
| 5.                       | Cash Credit                    | 80.00                  | 55.74                             | 8.50%  | Working Capital requirement | On demand          | <b>Primary security:</b> Book debts, debtors, current asset, fixed deposits with 10% cash margin in the form of fixed deposit for bank guarantee facility, fixed deposit for collateral;  |
| 6.                       | Drop Down Overdraft Facility   | 16.11                  | 13.95                             | 8.50%  | Working Capital requirement | On demand          |   |
| 7.                       | Bank Guarantee                 | 50.00                  | 30.44                             | 0.60% plus GST   | Working Capital requirement | On demand          |   |
|                          |                                |                        |                                   |  |                             |                    | Commercial vehicles with specified descriptions.  |

#### Vehicle Loans

| Sr. No. | Lender            | Amount                 |                                   | Rate of Interest | Purpose                 | Repayment schedule/<br>Tenure | Security   |
|---------|-------------------|------------------------|-----------------------------------|------------------|-------------------------|-------------------------------|--|
|         |                   | Sanctioned (₹ million) | Outstanding as on August 31, 2018 |                  |                         |                               |  |
| 1.      | Axis Bank Limited | 207.84                 | 161.84                            | 8.40% - 10.26%   | Commercial vehicle loan | 36 to 59 months               | <b>Primary Security:</b> Hypothecation of commercial vehicles / construction equipment purchased / repurchased / refinanced out of the bank's funds. |

|    |                            |        |        |                |                         |                         |  |
|----|----------------------------|--------|--------|----------------|-------------------------|-------------------------|--|
|    |                            |        |        |                |                         |                         | <b>Personal Guarantee:-</b> by Pankaj Kumar Gandhi   |
| 2. | HDFC Bank Limited          | 551.56 | 254.93 | 8.40% - 10.64% | Commercial vehicle loan | 36 to 60 months         | <b>Primary Security:</b> Hypothecation of commercial vehicles / construction equipment purchased / repurchased / refinanced out of the bank's funds.<br><b>Personal Guarantee:</b> by Pankaj Kumar Gandhi. |
| 3. | Kotak Bank Limited         | 22.97  | 19.15  | 8.38% - 10.01% | Commercial vehicle loan | 36 to 48 months         | First and exclusive charge created by way of hypothecation on the assets financed namely, A/P Buses of model ALPSV 04.   |
| 4. | ICICI Bank Limited         | 109.34 | 32.80  | 8.25% - 10.51% | Commercial vehicle loan | 36 to 60 months         | First and exclusive charge on the assets in favor of ICICI Bank Limited by way of unattested deed of hypothecation.  |
| 5. | Tata Motor Finance Limited | 4.28   | 4.12   | 7.74%          | Commercial vehicle loan | 47 monthly installments | Hypothecation of and charge on all present and future additional properties, subsidy, asset(s) including its body, engine and all other accessories and equipment attached.                                |

## B. SECURED BORROWING OF OUR SUBSIDIARY

### Chartered Bus Private Limited – Construction Equipment's/ Vehicle Loans

| Sr. No. | Lender                      | Amount                 |                                   | Rate of Interest | Purpose                 | Repayment schedule/ Tenure | Security Provided  |
|---------|-----------------------------|------------------------|-----------------------------------|------------------|-------------------------|----------------------------|--|
|         |                             | Sanctioned (₹ million) | Outstanding as on August 31, 2018 |                  |                         |                            |  |
| 1.      | Yes Bank Limited            | 247.86                 | 246.26                            | 8.85%- 8.90 %    | Commercial vehicle loan | 58 months                  | First and exclusive charge on the assets financed.                     |
| 2.      | Tata Motors Finance Limited | 44.33                  | 43.36                             | 7.95%            | Commercial vehicle loan | 59 months                  | Hypothecation in favour of Tata Motors Finance Limited all present and |

| Sr. No. | Lender             | Amount                 |                                   | Rate of Interest | Purpose                 | Repayment schedule/<br>Tenure | Security Provided   |
|---------|--------------------|------------------------|-----------------------------------|------------------|-------------------------|-------------------------------|---|
|         |                    | Sanctioned (₹ million) | Outstanding as on August 31, 2018 |                  |                         |                               |   |
| 3.      | ICICI Bank Limited | 67.67                  | 67.22                             | 8%-<br>8.49%     | Commercial vehicle loan | 60 months                     | future additional properties, subsidies and assets.<br>First and exclusive charge on the assets financed. |

### ***Principal Terms of Financing Arrangements –***

In terms of our facility agreements, certain corporate actions by our Company require the prior intimation to / prior written consent of the lenders. These include:

1. any change in capital structure of the Company;
2. formulate any scheme of amalgamation or reconstitution;
3. implement any major scheme of expansion;
4. invest by way of share capital in or lend or advance funds to or place deposits with any other concern
5. enter into additional borrowing arrangements (including securitization of receivables or provide escrow facilities), either secured or unsecured;
6. undertake guarantee obligations on behalf of any other company / firm etc.;
7. allow the promoters / directors to alienate, transfer, dispose or dilute their shareholding or material change in ownership of our Company;
8. declare dividends for any year out of profits relating to the year if any of the financial commitments to the bank have not been fully met
9. Withdraw funds from the business out of the profits relating to the year if any of the financial commitments to the bank have not been fully met.
10. Repay monies brought in by promoters / directors, principal shareholders, friends and relative in the business by way of loans / deposits / share application money etc. and pay interest on any unsecured loan brought in as a quasi-equity.
11. Enter in to long term contractual obligation/s directly affecting the financial position of the company / firm.
12. Create or suffer any charge, lien, pledge, hypothecation or encumbrance or any part thereof nor do or allow anything that may prejudice the bank's security over secured assets;
13. Divert the facilities to inter-corporate deposits, debentures, stocks and shares, real estate business, etc.

### **C. UNSECURED BORROWINGS OF OUR SUBSIDIARIES**

Our Company advances loans from time to time to fund operations of our Subsidiaries. For details in relation to such loans as on March 31, 2018, please see chapter “*Financial Information – Related Party Transactions*” on page 203 of this Draft Red Herring Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal litigation involving our Company, Subsidiaries, Directors, Promoters, or Group Companies, (ii) outstanding actions by any statutory or regulatory authorities involving our Company, Subsidiary, Directors, Promoters, or Group Companies, (iii) outstanding claim involving our Company, Subsidiaries, Directors, Promoters, or Group Companies for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding other pending litigation involving our Company, Subsidiaries, Directors, Promoters, Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, (ii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, and (iii) outstanding dues to small scale undertakings and other creditors. With respect to point (i) above, our Board, in its meeting held on September 10, 2018, has adopted a policy for identification of material legal proceedings (“Materiality Policy”). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Subsidiaries, Directors, Promoters, or Group Companies, in addition to criminal proceedings, taxation matters, and regulatory actions, would be considered ‘material’, if the monetary amount of claim by or against the entity or person in such proceeding is 5% (or in excess of 5%) of the profit after taxes of the Company as per the Restated Consolidated Financial Information for the Financial Year Ended March 31, 2018, being ₹ 6.22 million, and (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations, prospects, or reputation of our Company are considered ‘material’, and 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, the Subsidiaries, Directors, Promoters, and the Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoters, and our Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, in terms of the Materiality Policy, our Company considers such creditors ‘material’ to whom the amount due exceeds one per cent of the consolidated trade payables of our Company as per the latest audited financial statements of our Company included Restated Consolidated Financial Information included in this Draft Red Herring Prospectus i.e. ₹ 0.13 million, and accordingly the details of the aggregate outstanding dues to such material creditors have been disclosed in this Draft Red Herring Prospectus in a consolidated manner.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus.

All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

#### I. Litigation involving our Company

##### A. Criminal proceedings involving our Company

Nil

##### B. Tax proceedings against our Company

|              |                 |                               | (₹ in million) |
|--------------|-----------------|-------------------------------|----------------|
| Particulars  | Number of Cases | Ascertainable amount involved |                |
| Direct Tax   | 1               |                               | 1.21           |
| Indirect Tax | Nil             |                               | -              |

### C. Other material outstanding litigation involving our Company

#### *Material outstanding litigation against our Company*

1. Our Company is involved in various proceedings initiated before various Motor Vehicle Accident Claims Tribunals in the country, under the Motor Vehicles Act, 1988, in connection with accidents that our fleet of vehicles have been/allegedly have been involved in. A substantial portion of the expected liability/ payment arising out of these cases would devolve on third parties such as insurance companies, etc. As of the date of this Draft Prospectus, there are 79 such proceedings pending before various Motor Vehicle Accident Claims Tribunals under the Motor Vehicles Act, 1988. The aggregate claim amount in such cases is approximately ₹ 205.24 million and for two of the aforesaid matter the plaintiff has left it to the discretion on Tribunal to determine the claim amount.
2. Our Company is involved in various proceedings initiated before various Labour Courts, under the Section 10 of the Industrial Disputes Act, 1947, in connection with payment of pending wages and other service related matters. As of the date of this Draft Prospectus, there are 8 such proceedings pending before various Labour Courts, under the Section 10 of the Industrial Disputes Act, 1947. The aggregate claim amount in such cases is approximately ₹ 0.21 million and for six of the aforesaid matter the plaintiff has left it to the discretion on Labour Court to determine the claim amount.

#### *Material outstanding litigation by our Company*

1. Our Company filed a special civil application number 65 of 2018 against the Ahmedabad Municipal Corporation and Others (“**Respondents**”) before the High Court of Gujarat at Ahmedabad (“**Court**”) to seek a direction from the Court for challenging inaction on the part of the Respondent for deducting liquidated damages to the tune of ₹ 14.48 million for alleged breach of conditions of the contract awarded to our Company without following due course of law. Our Company has been awarded with a letter of award (“**LoA**”) for operation of buses for Ahmedabad City Bus Services by the Respondent on contractual basis. Based on the LoA, our Company has issued a purchase order to Tata Motors for 52 bus chassis. Due to allegedly wrong technical specification of buses, the Respondent has received late delivery from Tata motors and therefore the Respondent imposed a penalty of ₹ 14.48 million on our Company as a liquidated damages due to delay delivery of buses. Being aggrieved by the penalty, our Company has filed the present special civil application before the Court praying for reimbursement of liquidated damages of ₹ 14.48 million. The matter is currently pending before the Court.
2. Our Company filed an original civil suit no 4115 of 2017 against Religare Finvest Limited and Blue Hill Logistics Private Limited (“**Defendants**”) before the Court of the Principal City Civil and Sessions Judge, Bengaluru (“**Court**”) to seek a direction to Religare Finvest Limited for repayment a sum of ₹ 6.17 million along with interest at the rate of 18% p.a. from the date of payment of amount by our Company to Religare Finvest Limited till the date of realization, to Blue Hill Logistics Private Limited for repayment a sum of ₹ 0.84 million along with interest at the rate of 18% p.a. from the date of payment of amount by our Company to Blue Hill Logistics Private Limited till the date of realization and to Defendants to jointly pay ₹ 19.26 million towards damages such as financial loss. Our Company has entered into a memorandum of understanding with Blue Hill Logistics Private Limited for purchase 14 buses, out of which 2 buses were hypothecated to Religare Finvest Limited for total consideration of ₹ 46 million (“**MoU**”). Further, our Company has claimed that, despite having made full payment, the RTO papers of two buses were not handed over by Religare Finvest Limited and consequently our Company has suffered a loss of ₹ 19.26 million. Therefore, our Company has filed the present suit before the Court praying for the payment of damages suffered by our Company due to non-receipt of buses as per the MoU and sum which was paid by the Company to the Defendants. The matter is currently pending before the Court.

### D. Outstanding dues to small scale undertakings or any other creditors

In terms of the Materiality Policy, as of March 31, 2018, our Company had 23 material creditors, whose details are as follows:

Further, based on available information regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2018, our Company did not owe any dues to any

small scale undertakings. With respect to other creditors, as of March 31, 2018, our Company owed outstanding dues of ₹ 13.02 million to a total of 106 creditors. Details of which are as follows:

| <i>Name of creditor</i>                          | <i>Amount (₹ in Million)</i> |
|--|------------------------------|
| Able Design Engineering Services Private Limited | 0.18                         |
| Bhoomi Motors                                    | 0.23                         |
| Chartered Motors Private Limited                 | 0.18                         |
| Khodiyar Auto Motive Private Limited             | 0.30                         |
| Khodiyar Autoparts (Guj.) Private Limited        | 0.21                         |
| Komal Enterprise                                 | 0.15                         |
| Krishna Air Brake System                         | 0.74                         |
| Krishna Auto Electric                            | 0.19                         |
| Manoj Motors Private Limited                     | 0.13                         |
| Rotex Manufacturers & Engineers Private Limited  | 0.82                         |
| Thinture Technologies Private Limited            | 0.16                         |
| Vardhman Enterprise                              | 0.17                         |
| Atal Indore City Transport Services Limited      | 5.41                         |
| Infinity Transoft Solution Private Limited       | 0.21                         |
| Jaanvi Jhamnani                                  | 0.44                         |
| K & D Technology                                 | 0.23                         |
| Khanuja Enterprises                              | 0.13                         |
| Plus Auto Company                                | 0.15                         |
| Usha Petroleum                                   | 0.15                         |
| Infinium Motors Private Limited                  | 0.42                         |
| Changodar Steel Stores                           | 0.20                         |
| Swaraj Steel                                     | 0.14                         |
| Worldpay   | 0.28                         |
| <b>Total</b>                                     | <b>11.22</b>                 |

Complete details of outstanding dues to our creditors as on March 31, 2018 are available at the website of our Company, [www.chartered-speed.com](http://www.chartered-speed.com). Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.chartered-speed.com](http://www.chartered-speed.com), would be doing so at their own risk.

#### **E. Pending action by statutory or regulatory authorities involving our Company**

1. Our Company received a show cause notice dated May 18, 2018 from the RoC alleging that our Company and its officers are liable to be prosecuted under the Companies (Restriction on number of layers) Rules, 2017 (“**Rules**”) for not having filed the e-form CRL-1 within 150 days of the publication of the Rules as mandated. We have replied to the said show cause notice submitting that our Company is in compliance with the Rules and the Companies Act, 2013, and that there is no violation of the same. There has been no further correspondence in this regard.

#### **II. Litigation involving our Subsidiaries**

##### **A. Criminal proceedings involving our Subsidiaries**

Nil

##### **B. Tax proceedings against our Subsidiaries**

Nil

**C. Other material outstanding litigation involving our Subsidiaries**

Nil

**D. Pending action by statutory or regulatory authorities involving our Subsidiaries**

Nil

**III. Litigation involving our Promoters**

**A. Criminal proceedings involving our Promoters**

Nil

**B. Tax proceedings against our Promoters**

Nil

**C. Other material outstanding litigation involving our Promoters**

Nil

**D. Pending action by statutory or regulatory authorities involving our Promoters**

Nil

**IV. Litigation involving our Directors**

**A. Criminal proceedings involving our Directors**

Nil

**B. Tax proceedings against our Directors**

Nil

**C. Other material outstanding litigation involving our Directors**

Nil

**D. Pending action by statutory or regulatory authorities involving our Directors**

**Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated**

SEBI has vide its order dated December 28, 2011 (“**SEBI Order**”), passed an interim ex-parte order in the matter of initial public offering of RDB Rasayans Limited (“**IPO**”) against the lead manager of the IPO, Chartered Capital and Investment Limited (“**CCIL**”), its Managing Director Mohib Nomanbhai Khericha, and its vice president (“**Noticees**”) and had prohibited them from taking up any new assignment or involvement in any new issue of capital from the securities market in any manner whatsoever, from the date of the order till further directions. SEBI thereafter passed a confirmatory order dated September 7, 2012 confirming the SEBI Order. Further, vide an order dated October 25, 2012, Securities Appellate Tribunal set aside the SEBI Order and directed SEBI to complete the investigation in the matter of the IPO and take appropriate decisions by December 31, 2012. Further, a show cause notice was issued against CCIL on July 26, 2013 under the SEBI (Intermediaries) Regulations, 2008 and against the Noticees on July 29, 2013 and under the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and a penalty of ₹ 1 million were imposed against each of the Noticee by Adjudicating Officer vide its order

April 30, 2014 (“**Adjudication Order**”). An appeal was made against the Adjudication Order before SAT and vide its order dated July 26, 2016, SAT has reduced the penalty amount to ₹ 0.10 million each and the same has been paid by Mohib Nomanbhai Khericha and the vice president of CCIL.

Further, a show cause Notice (“**SCN**”) dated July 18, 2014 was issued to CCIL calling upon it to show cause as to why action as recommended by the Designated Authority should not be taken against it or a higher penalty as deemed fit should not be imposed upon it and has recommended that the CCIL be prohibited from taking up any new assignment or contract for a period of three months. SEBI vide an order dated May 13, 2015 stated that Noticee has already undergone such restraint/prohibition imposed by the interim order for a period of more than nine months and disposed off the matter without any further direction against the Company in the matter. An appeal was filed against the order dated May 13, 2015 before SAT and vide its order dated July 14, 2016 SAT has disposed off the appeal as infructuous without going into the merits of the case.

#### **I. Material developments since the last balance sheet date**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments Occurring after March 31, 2018*” on page 310 of this Draft Red Herring Prospectus, there have been no developments subsequent to March 31, 2018 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

## GOVERNMENT AND OTHER APPROVALS

*Our Company can undertake the Offer and the Offer for Sale and our Company and Subsidiaries, respectively, can undertake its respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer and the Offer for Sale or continue such business activities. Unless otherwise stated, these approvals are valid as of 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 162 of this Draft Red Herring Prospectus.*

### **I. Approvals in relation to the Offer and Offer for Sale**

For the approvals and authorizations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 362 of this Draft Red Herring Prospectus.

### **II. Approvals in relation to Incorporation of our Company**

1. Certificate of incorporation (CIN: U63030GJ2007PTC050923) dated May 22, 2007 issued by the Registrar of Companies, Gujarat, Dadar and Nagar Havelli under Companies Act, 1956.
2. Fresh Certificate of Incorporation consequent upon change of name on conversion of our Company to public limited company dated September 10, 2018 (CIN: U63030GJ2007PLC050923) issued by Registrar of Companies, Gujarat at Ahmedabad under Companies Act, 2013.

### **III. Approvals under Tax Laws**

1. Permanent Account Number (AADCC0802E) dated May 22, 2007 issued by the Income Tax Department, Government of India.
2. Tax Deduction Account Number (AHMC02525F) issued by the Income Tax Department, Government of India.
3. Registration certificate of Goods and Services Tax (24AADCC0802E1ZH) dated September 26, 2017 issued by the Government of India.
4. Registration certificate of Goods and Services Tax (23AADCC0802E1ZJ) dated November 18, 2017 issued by the Government of India.
5. Professional Tax Enrollment Certificate (PECO16387789) issued by Assistant Manager Professional Tax, Ahmedabad Municipal Corporation under Gujarat State Tax and on Profession Trade and Calling Employment Act, 1976.
6. Profession Tax Payer Registration Certificate (RC.07/02/057/0019) dated August 19, 2010 issued by Profession Tax officer, Mumbai, under the Gujarat State Tax on Professions, Trades, Calling and Employment Act, 1976.
7. Profession Tax Payer Registration Certificate (Indore) (78849037859) dated June 12, 2014 issued by Profession Tax officer, under the Madhya Pradesh Professional Tax Act, 1995.

### **IV. Approvals in relation to the business operations of our Company**

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

1. *Labour related approvals and legislations*

We are required to obtain various approvals for setting up and operating our manufacturing facilities, under the Factories Act and the specific rules made for each state under the Factories Act. We also employ contract labourers in our factories under the Contract Labour (Regulation and Abolition) Act, 1970. Additionally, we are in compliance with the provisions of 1948, the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

## *2. Shops and establishments' registration*

We are required to obtain registrations under the Madhya Pradesh Shops and Establishments Act, 1958, the Rajasthan Shops and Commercial Establishments Act, 1958 and the Maharashtra Shops and Establishments Act, 2018 for our commercial establishments situated across the cities in Madhya Pradesh, Rajasthan and Maharashtra respectively, which is valid as on the date of this Draft Red Herring Prospectus.

## *3. Transportation related approvals and legislations*

We are required to obtain a registration and a license under the Motor Transport Workers Act, 1961 and the Motor Vehicles Act, 1988 and school bus permits under the Gujarat Motor Vehicles Rules, 1989 read with Motor Vehicles Act, 1988, which is valid as on the date of this Draft Red Herring Prospectus.

## *4. Storage and transport of petroleum*

Our Company is required to store and transport petroleum (of Class A and Class B Petroleum) in the ordinary course of business, as such, our Company is required to obtain licenses to store as well as licenses to transport petroleum by the Petroleum and Explosives Safety Organisation under the Petroleum Rules, 2002.

## *5. Approval in relation to quality*

Our Company has obtained a quality management certificate ISO 9001:2015 from Absolute Quality Certification Private Limited.

## **V. Approvals in relation to intellectual property of our Company and Subsidiaries**

### *Domain Registration*

1. Registration of Domain Name for [www.chartered-speed.com](http://www.chartered-speed.com) authorized by Hosting Blue (Provider).

## **VI. Licenses / approvals which have expired and for which renewal applications have been made by our Company and Subsidiaries.**

1. Application dated June 12, 2018 and resubmission of the application dated July 31, 2018 made by our Company to the Joint Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, under Petroleum Rules, 2002, for the grant of license for storage of petroleum for captive consumption in relation to our Company's 20 kilo litre storage capacity of petroleum products at our facility in Ahmedabad. For details, please see "Our Business" on page 144 of this Draft Red Herring Prospectus.
2. Application dated August 25, 2018 filed by our Company to the Gujarat Pollution Control Board for obtaining a No Objection Certificate from the Gujarat Pollution Control Board in respect of the activities carried out at our Registered Office for compliance with all the environmental protection regulations.
3. Application for profession tax payer registration certificate (Bhopal) dated July 28, 2018 filed by our Company to Commercial Tax Department, Government of Madhya Pradesh.

## **VII. Approvals which are required and for which application has been made by our Company.**

Nil

**VIII. Licenses / approvals which are required but not yet applied for by our Company and Subsidiaries**

Nil

**IX. Licenses / approvals expired for which no application has been made by our Company and Subsidiaries**

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### Corporate Approvals

- The Board, pursuant to its resolution dated September 10, 2018, authorised the Offer subject to approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013.
- The Shareholders of our Company have, by a special resolution dated September 14, 2018, approved and authorised the Fresh Issue and authorised the Board to take decisions in relation to this Offer.
- The Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 27, 2018.
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

#### Approvals from the Selling Shareholders

The Selling Shareholders have confirmed and approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below:

| Sr. No. | Name of Selling Shareholder | Date of consent letter | Number of Equity Shares offered for sale                   |
|---------|-----------------------------|------------------------|--|
| 1.      | Pankaj Kumar Gandhi         | September 14, 2018     | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |
| 2.      | Alka Pankaj Gandhi          | September 14, 2018     | Up to [●] Equity Shares aggregating up to ₹ 240.00 million |

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.

### Prohibition by SEBI or other Governmental Authorities

None of our Company, our Promoters, our Directors, our Promoter Group, our Group Companies, the directors of the Promoters have been prohibited or debarred from accessing or operating in capital markets for any reason by SEBI or any other authorities.

The companies, with which our Promoters or Directors are or were associated as promoter, directors or persons in control have not been prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

Each of the Selling Shareholders severally and not jointly confirms that such Selling Shareholder, has not 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 regulatory or governmental authority.

Other than Mohib Nomanbhai Khericha none of our Directors are associated with the securities market. For further details in relation to action taken by SEBI against the entities operating in the securities market with which these Directors are associated, see “*Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated*” on page 354 of this Draft Red Herring Prospectus.

## Prohibition by RBI

Neither our Company, nor our Promoters, relatives of our Promoters, Directors, Group Companies, nor the Selling Shareholders have been categorized or identified 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. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for Fiscal 2018; and
- Pursuant to a special resolution of our Shareholders passed in their meeting held on August 23, 2018, our Company was converted to a public company and consequently the name of our Company was changed to 'Chartered Speed Limited' from 'Chartered Speed Private Limited'. Subsequent to the change of name of our Company, there was no variation in the activities being undertaken by our Company. For details of changes in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 167 of this Draft Red Herring Prospectus.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Standalone Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31, 2018, 2017, 2016, 2015 and 2014 are set forth below:

*(₹ in million, unless otherwise stated)*

| Particulars   | Fiscal<br>2018 | Fiscal<br>2017 | Fiscal<br>2016 | Fiscal<br>2015 | Fiscal 2014   |
|---|----------------|----------------|----------------|----------------|---------------|
| Net tangible assets, as restated <sup>1)</sup>  | 532.27         | 373.88         | 230.60         | 40.63          | 77.97         |
| Monetary assets, as restated <sup>2)</sup>  | 44.01          | 74.63          | 61.37          | 18.01          | 40.68         |
| Pre-tax operating profit/ (loss), as restated <sup>3)</sup>                           | 8.27%          | 19.96%         | 26.61%         | 44.33%         | 52.17         |
| Net worth, as restated <sup>4)</sup>  | 234.42         | 209.38         | 216.67         | 120.32         | 69.86         |
| Monetary assets, as restated as a % of net tangible assets, as restated <sup>5)</sup> | <b>591.85</b>  | <b>442.97</b>  | <b>293.83</b>  | <b>168.78</b>  | <b>103.72</b> |

- 1) *Net tangible assets = Net block of property, plant and equipment + capital work-in-progress + non-current loans + other non-current financial assets + other non-current assets + total current assets (excluding investments) – total non-current liabilities – total current liabilities;*
- 2) *Monetary assets = Cash in hand + balance with bank in current and deposit accounts (net of bank deposits having restrictive use);*
- 3) *'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, exceptional items, share in net profit of associate entity accounted for using equity method, finance costs and other income;*
- 4) *Net worth has been defined as the aggregate of equity share capital and other equity (excluding amalgamation reserves);*

- 5) 'Monetary assets as restated as a percentage of the net tangible assets' means monetary assets as restated divided by net tangible assets, as restated, expressed as a percentage.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31, 2018, 2017, 2016, 2015 and 2014 are set forth below:

(₹ in million, unless otherwise stated)

| Particulars   | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| Net tangible assets, as restated <sup>1)</sup>  | 517.71      | 357.01      | 216.19      | 23.80       | 51.61       |
| Monetary assets, as restated <sup>2)</sup>  | 46.65       | 91.14       | 72.26       | 19.90       | 42.03       |
| Monetary assets, as restated as a % of net tangible assets, as restated <sup>5)</sup> | 9.01%       | 25.53%      | 33.42%      | 83.61%      | 81.44%      |
| Pre-tax operating profit/ (loss), as restated <sup>3)</sup>                           | 229.63      | 205.40      | 221.75      | 130.21      | 65.08       |
| Net worth, as restated <sup>4)</sup>  | 591.45      | 440.29      | 298.41      | 161.82      | 93.61       |

- 1) Net tangible assets = Net block of property, plant and equipment + capital work-in-progress + non-current loans + other non-current financial assets + other non-current assets + total current assets (excluding investments) – total non-current liabilities – total current liabilities;
- 2) Monetary assets = Cash in hand + balance with bank in current and deposit accounts (net of bank deposits having restrictive use);
- 3) 'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, exceptional items, share in net profit of associate entity accounted for using equity method, finance costs and other income;
- 4) Net worth has been defined as the aggregate of equity share capital and other equity (excluding amalgamation reserves);
- 5) 'Monetary assets as restated as a percentage of the net tangible assets' means monetary assets as restated divided by net tangible assets, as restated, expressed as a percentage.

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 for the period.

Our Company is in compliance with the conditions specified in Regulation 4(2) and Regulation 4(5)(a) of the SEBI ICDR Regulations, to the extent applicable.

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

#### 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 MANAGER, BEING EQUIRUS CAPITAL PRIVATE 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 AND THE SELLING SHAREHOLDERS ARE 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 CONFIRMED OR UNDERTAKEN 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, EQUIRUS CAPITAL PRIVATE LIMITED 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 MANAGER, EQUIRUS CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE FORTHCOMING 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 SEPTEMBER 27, 2018 (“DRHP”) 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 DRHP FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - c. THE DISCLOSURES MADE IN THE DRHP 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, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID - COMPLIED WITH AND NOTED FOR COMPLIANCE.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT 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

**PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP. – 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 PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRHP - 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 PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – 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 MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, AND THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. IN ACCORDANCE WITH SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER SHALL BE ISSUED IN DEMATERIALIZED 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.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

- a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – COMPLIED WITH 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, PROMOTER’S 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 DRHP 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 THE 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 OF THE COMPANY, REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRHP, AS CERTIFIED BY M/S. MUKESH M. SHAH & CO., CHARTERED ACCOUNTANTS PURSUANT TO ITS CERTIFICATE DATED SEPTEMBER 25, 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 BRLM, 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 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 and 32 of the Companies Act, 2013.

## Caution - Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLM

Our Company, our Directors, the Selling Shareholders and the BRLM 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.charteredspeed.com](http://www.charteredspeed.com) or the respective websites of our Promoter Group or Group Companies, Subsidiaries, the Selling Shareholders or an affiliate of our Company would be doing so at his or her own risk. The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders (in respect of themselves and the Equity Shares offered by such Selling Shareholders in the Offer for Sale) and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoters, 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 Promoters, Promoter Group and the Selling Shareholders and their group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

## Price information of past issues handled by the BRLM

### 1. Equirus Capital Private Limited

*Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Equirus Capital Private Limited*

| Sr. No. | Issue name                         | Issue size (₹ millions) | Issue price(₹) | Listing date  | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing |
|---------|------------------------------------|-------------------------|----------------|---------------|--------------------------------------|--|--|---|
| 1       | Shankara Building Products Limited | 3,450.01                | 460.00         | April 5, 2017 | 555.05                               | + 51.04%<br>[+1.02%]   | + 80.91%<br>[+3.78%]   | + 210.58 %<br>[+5.65%]  |

#### Notes:

a. Source: [www.nseindia.com](http://www.nseindia.com) for the price information

b. Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the price of the immediately preceding working day has been considered.

c. The Nifty 50 index is considered as the benchmark index.

**Table 2: Summary statement of disclosure**

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date |                 |               | Nos. of IPOs trading at premium on as on 30th calendar days from listing date |                 |               | Nos. of IPOs trading at discount as on 180th calendar days from listing date |                 |               | Nos. of IPOs trading at premium as on 180th calendar days from listing date |                 |               |
|----------------|-------------------|------------------------------------|--|-----------------|---------------|---|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
|                |                   |                                    | 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      | -                 | -                                  | -  | -               | -             | -   | -               | -             | -  | -               | -             | -   | -               |               |
| 2017-2018      | 1                 | 3,450.01                           | -  | -               | -             | 1   | -               | -             | -  | -               | -             | 1   | -               |               |
| 2016-2017      | -                 | -                                  | -  | -               | -             | -   | -               | -             | -  | -               | -             | -   | -               |               |

#### Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, its Subsidiaries or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

#### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Corporation Finance Department, Securities and Exchange Board of India, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad - 380 009, Gujarat, India.

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 situated at the address below:

#### **Registrar of Companies**

ROC Bhavan, Opp Rupal Park  
Behind Ankur Bus Stop  
Naranpura  
Ahmedabad-380013  
Gujarat, India

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. [●] 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 each of 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 the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. In this regard, it is clarified that, none of the Selling

Shareholders shall be liable to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder in relation to their respective proportion of the Equity Shares offered in the Offer for Sale.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest the application money, failing which interest shall be paid to the Bidders at the rate of 15% per annum for the delayed period. Each of the Selling Shareholders confirms that it shall extend reasonable support required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (including the Equity Shares offered in the Offer for Sale) pursuant to the Offer, at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, provided that subject to applicable law, a Selling Shareholder shall not be responsible to reimburse any interest unless such delay has been caused solely by such Selling Shareholder, in which case our Company shall be responsible for payment of such interest.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, lenders to our Company, Bankers to our Company; (b) Selling Shareholders; and (c) the BRLM, the Syndicate Members, the Public Offer Bank(s), the Escrow Collection Bank(s), Refund Banker and the Registrar to the Offer to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC 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 September 24, 2018 from our Statutory Auditors, namely, Mukesh M. Shah & Co., Chartered Accountants for inclusion of their reports, dated September 22, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements in this Draft Red Herring Prospectus and to include their name in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated September 25, 2018 in the form and context in which it appears in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

### **Experts**

Our Company has received written consent dated September 24, 2018 from our Statutory Auditor, namely, Mukesh M. Shah & Co., Chartered Accountants to include their name as required in this Draft Red Herring Prospectus and as

an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination reports, dated September 22, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements and the Statement of Tax Benefits dated September 25, 2018 and such consent has not been withdrawn as of 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.

### **Offer related 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 titled “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

Upon the listing and trading of the Equity Shares on the Stock Exchanges, all Offer related expenses shall be shared in the proportion mutually agreed between the Company and the Selling Shareholders in accordance with applicable law.

### **Fees Payable to Syndicate**

The total fees payable to 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 from 10.00 am to 4.00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/Offer Closing Date. For details, see the section titled “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

### **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see the section titled “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

### **Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 21, 2018 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office from 10.00 am to 4.00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/Offer Closing Date.

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 Registrar to the Offer to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post. For details, see the section titled “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus.

Each Selling Shareholder will reimburse our Company for the expenses incurred in proportion to the Equity Shares sold by such Selling Shareholders in the Offer for Sale.

### **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.

### **Capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company**

None of our Group Companies or our Subsidiaries have undertaken any capital issues in the last three years preceding the date of this Draft Red Herring Prospectus. Our Company does not have any associate companies as on the date of this Draft Red Herring Prospectus.

### **Particulars regards public or rights issues by our Company during the last ten years**

Except as disclosed below, our Company has not undertaken any rights issues in the ten years immediately preceding the date of this Draft Red Herring Prospectus:

| <b>Sr. No.</b> | <b>Date</b>    | <b>Number of Equity Shares offered</b> | <b>Number of Equity Shares allotted</b> | <b>Issue Price (₹)</b> |
|----------------|----------------|--|---|------------------------|
| 1.             | March 31, 2018 | 22,770                                 | 22,770                                  | 1,100                  |

Our Company has met the objects mentioned in the respective offer documents of the rights issue undertaken by our Company in the ten years immediately preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not undertaken any public issues in the ten years immediately preceding the date of this Draft Red Herring Prospectus

### **Capital Issues in the Preceding Three Years**

Except as disclosed in “*Capital Structure*” on page 82 of this Draft Red Herring Prospectus, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

### **Performance vis-à-vis objects – Last issue of listed Group Companies, Subsidiaries or Associates**

None of our Group Companies or our Subsidiaries are listed on any stock exchange. Accordingly, the requirement to disclose shortfall in terms of performance vis-à-vis objects for any of previous issues does not apply. Our Company does not have any associate companies as on 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, Bonds or other instruments**

Our Company does not have any outstanding debentures, bonds or other instruments as of the date of this Draft Red Herring Prospectus.

### **Previous issues of securities otherwise than for cash or bonus**

Except as disclosed in the “*Capital Structure*” on page 82 of this Draft Red Herring Prospectus, our Company has not issued any specified securities for consideration otherwise than for cash or bonus.

### **Outstanding Preference Shares**

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 agreement amongst the Registrar to the Offer, our Company and the Selling Shareholders provides for the retention of records with 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 BRLM 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 Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

## **Disposal of Investor Grievances by our Company**

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 15 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, Alka Pankaj Gandhi as the Chairperson, Arupkumar Basu and Sanyam Gandhi as members. For details of the Stakeholders' Relationship Committee, see the section titled "*Our Management*" on page 174 of this Draft Red Herring Prospectus.

Our Company has also appointed Nirav Prakashchandra Patel, 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:

### **Chartered Speed Limited**

Sarkhej-Bavla Highway,  
Sanathal,  
Sarkhej,  
Ahmedabad – 382 210,  
Gujarat, India.

**Telephone:** +91 99 798 89920

**Fax:** Not available

**Email:** cs@charteredspeed.com

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

#### **Changes in auditors**

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

| <b>Name of Auditor</b>                            | <b>Date of change</b> | <b>Reason for change</b> |
|---|-----------------------|--------------------------|
| Mukesh M Shah & Co.                               | May 24, 2018          | Appointment              |
| Walker Chandiok & Co., LLP, Chartered Accountants | March 26, 2018        | Resignation              |
| Walker Chandiok & Co., LLP, Chartered Accountants | September 30, 2016    | Appointment              |
| Gandhi Gandhi & Co., Chartered Accountants        | September 30, 2016    | Expiry of term           |
| Gandhi Gandhi & Co., Chartered Accountants        | September 30, 2015    | Appointment              |

*Note: Our Company had appointed Himanshu Gandhi, Chartered Accountants as an additional auditor of our Company for consolidating the financials for Fiscal 2017*

#### **Capitalisation of Reserves or Profits**

Except as stated in “*Capital Structure – Issue of Equity Shares for consideration other than cash*” on page 82 of this Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

#### **Revaluation of Assets**

Our Company has not revalued 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, SCRA, SCRR, 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.

#### The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The Offer-related expenses shall be shared between our Company and the Selling Shareholders in proportion of the size of the Fresh Issue and the Offer for Sale respectively. All Offer-related expenses shall initially be borne by the Selling Shareholders. Upon successful completion of the Offer, our Company shall reimburse the Selling Shareholders their proportionate share of the Offer-related expenses. For further information on the Offer-related expenses, see “*Objects of the Offer*” on page 93 of the Draft Red Herring Prospectus.

#### 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. For further details, see the section titled “*Main Provisions of Articles of Association*” on page 434 of this Draft Red Herring Prospectus.

#### 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 titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 202 and 434, respectively of this Draft Red Herring Prospectus.

#### Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLM and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and Ahmedabad editions of Gujarati newspaper [●] (Gujarati being the regional language of Ahmedabad 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 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. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

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 purchasing 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 rules and regulations issued by RBI and/ or SEBI; 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 titled “*Main Provisions of Articles of Association*” on page 434 of this Draft Red Herring Prospectus.

#### **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 July 4, 2018 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated June 22, 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 376 of this Draft Red Herring Prospectus.

#### **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 Ahmedabad, India.

### **Nomination facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. 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 Selling Shareholders, in consultation with the BRLM, 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 BRLM, 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

|                     |       |
|---------------------|-------|
| BID/OFFER OPENS ON  | [●]*  |
| BID/OFFER CLOSES ON | [●]** |

\*Our Company and Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

\*\*Our Company and Selling Shareholders may, in consultation with the BRLM, decide to close the Bid/ Issue Period for QIBs one Working 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 or the Selling Shareholders or the BRLM.**

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date with such reasonable support and cooperation of the Selling Shareholder, as maybe required in respect of their respective Equity Shares offered in the Offer for Sale, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

### Submission of Bids (other than Bids from Anchor Investors):

| Bid / Offer Period (except the Bid / Offer Closing Date) |  |
|--|--|
| Submission and Revision in Bids                          | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) |
| 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 the 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 BRLM 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 and, in any case, no later than 3.00 p.m. IST (Indian Standard Time) on 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 this Offer.

Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company, in consultation with the Selling Shareholders and the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations.

In such an event, the Cap Price shall not be more than 120% of the Floor Price, and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

**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. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to 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 and the Selling Shareholders shall forthwith refund the entire subscription amount received, in the manner set out in the Offer Agreement. If there is a delay beyond the prescribed time, our Company and the Selling Shareholders shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable for the Offer for Sale. In case of an under subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority:

- i. through the issuance of the Fresh Issue; and
- ii. through the sale of, the Equity Shares being offered by the Selling Shareholders, on a pro-rata basis.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations. For the avoidance of doubt, subject to applicable laws, the Selling Shareholders will not be responsible to pay interest for any delay except to the extent such delay has been caused solely by them.

### **Arrangement for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

**Restrictions on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre – Offer Equity Share capital of our Company, Promoter’s minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in “*Capital Structure*” beginning on page 82 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 434 of this Draft Red Herring Prospectus.

## OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ 2,730 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,250 million by our Company and Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 480 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 / allocation <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. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. 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):<br><br>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br><br>(b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.<br><br>Up to [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investors | Proportionate  | The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment” on page 385 of this Draft Red Herring Prospectus. |
| Mode of Bidding  | Through ASBA process only (except Anchor Investors)   |  |  |

|                              |  |  |  |
|------------------------------|--|--|--|
| Minimum Bid                  | Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.  | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter  | [●] Equity Shares and in multiples of [●] Equity Shares thereafter   |
| Maximum Bid                  | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits   | Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits   | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000. |
| Bid Lot                      | [●] Equity Shares and in multiples of [●] Equity Shares thereafter   |  |  |
| Allotment Lot                | A minimum [●] Equity Shares and in multiples of one Equity Share thereafter  |  |  |
| Mode of Allotment            | Compulsorily in dematerialized form  |  |  |
| Trading Lot                  | One Equity Share   |  |  |
| Who can apply <sup>(4)</sup> | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies. | Resident individuals, NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors | Resident 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 (excluding for Anchor Investors) Form at the time of submission of the ASBA Form <sup>(3)</sup>   |  |  |

\* Assuming full subscription in the Offer

(1) Our Company and the Selling Shareholder may, in consultation with the BRLM allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Structure" on page 382 of this Draft Red Herring Prospectus.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR.

(3) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure -Section 7: Allotment Procedure and Basis of Allotment" on page 385 of this Draft Red Herring Prospectus.

*(4) 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.*

Under subscription, if any, in any category except the QIB Category, would be allowed to be met with spill-over from the other categories or contribution of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM 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 notified (CIR/CFD/POL/CYC/LL/11/2015 and SEBI circular bearing SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (the "General Information Document") included below under "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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

### PART A

#### **Book Building Procedure**

The 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 Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion). 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Category, 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 Selling Shareholders in consultation with the BRLM 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 Designated Intermediaries at the Bidding Centers, and the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide 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 Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| <b>Category</b>   | <b>Colour of Bid cum Application Form*</b> |
|---|--|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis   | White                                      |
| Non-Residents including Eligible NRIs, their sub-accounts (other than subaccounts which are foreign corporates or foreign individuals under the QIB Category), FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue                                       |
| Anchor Investors (Anchor Investors Application forms will be made available only at the Office of the BRLM)   | White                                      |

*\*Excluding electronic Bid cum Application Form*

All Non-Resident Bidders will be required to attach a self-certification with the Bid cum Application Form, confirming and certifying that such Bidder is a 'fit and proper person' in accordance with the requirements prescribed under the SEBI Intermediaries Regulations. To be a 'fit and proper person', the following criteria shall be taken into consideration: (i) the Bidder's integrity, reputation and character; (ii) the Bidder shall not have any convictions and restraint orders; (iii) the Bidder shall be competent, including having financial solvency and net worth; and (iv) the Bidder shall not be categorised as a Wilful Defaulter.

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA Form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Who can Bid?**

In addition to the category of Bidders set forth under the section "*General Information Document– Category of Investors Eligible to Participate in an Offer*" on page 400 of this Draft Red Herring Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales occurs.**

### **Participation by associates and affiliates of the BRLM, the Syndicate Members**

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and the Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which 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, the BRLM 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 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 FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the investee company and the investor complying with the applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing

aggregate investment limits for an FPI in our Company is 24% of the total paid-up equity share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Further, an FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations.

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 FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in ODIs (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 inter alia 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.

#### **Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

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 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company, the Selling Shareholders, and BRLM 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 the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with the BRLM reserve 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 bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve 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, 2016 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 operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLM 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.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

### **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 a standalone 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 regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

## **General Instructions**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the case, 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. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;
15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
18. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
19. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
22. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
23. Ensure while bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
24. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
25. Ensure that you have correctly signed the authorization/undertaking box in the ASBA 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 ASBA Form; and
26. Bids by Eligible NRIs and HUFs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.
27. 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 for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. 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;
9. Do not submit more than five Bid cum Application Forms per ASBA account;
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;
11. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).
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 submit your Bid after 3:00 pm on the Offer Closing Date.
16. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
17. 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;
18. Do not submit Bids to a Designated Intermediary at a location other than specified locations; and
19. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Payment into Escrow Account for Anchor Investors**

Our Company and the Investor Selling Shareholder in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

### **Pre- 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: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) Ahmedabad editions of Gujarati newspaper [●], 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 BRLM 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 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.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;
- 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;
- 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 or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the 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 Selling Shareholders**

Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

- The Equity Shares offered pursuant to the Offer for Sale are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and have been held by the Selling Shareholders for a period of at least one year prior to the date of this Draft Red Herring Prospectus, provided that, to the extent that the Equity Shares being offered 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 the DRHP;
- The Selling Shareholders are the legal and beneficial owners of and have full title to their respective Equity Shares being offered through the Offer for Sale.
- The Selling Shareholders will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- The Selling Shareholders will deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer at least two Working Days days prior to filing of the Red Herring Prospectus with the RoC;
- The Selling Shareholder shall not 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 in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- The Selling Shareholder will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and
- The Selling Shareholders will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer for Sale are available for transfer in the Offer for Sale.

The Selling Shareholders have authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

### **Utilisation of Offer Proceeds**

Our Board of Directors certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company, and the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in subsection 3 of Section 40 of the Companies Act, 2013.

### **Information for Bidders**

In addition to the instructions provided to Bidders set forth in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 398 of this Draft Red Herring Prospectus, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“Acknowledgement Slip”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that

the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Investors who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
4. In the event of a downward revision in the Price Band, Retail Individual Investors who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

## 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, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of our Company and this Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Offer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Offer 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 capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 1956 (the "**Companies Act**") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer 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-Offer Advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

### **2.5 OFFER PERIOD**

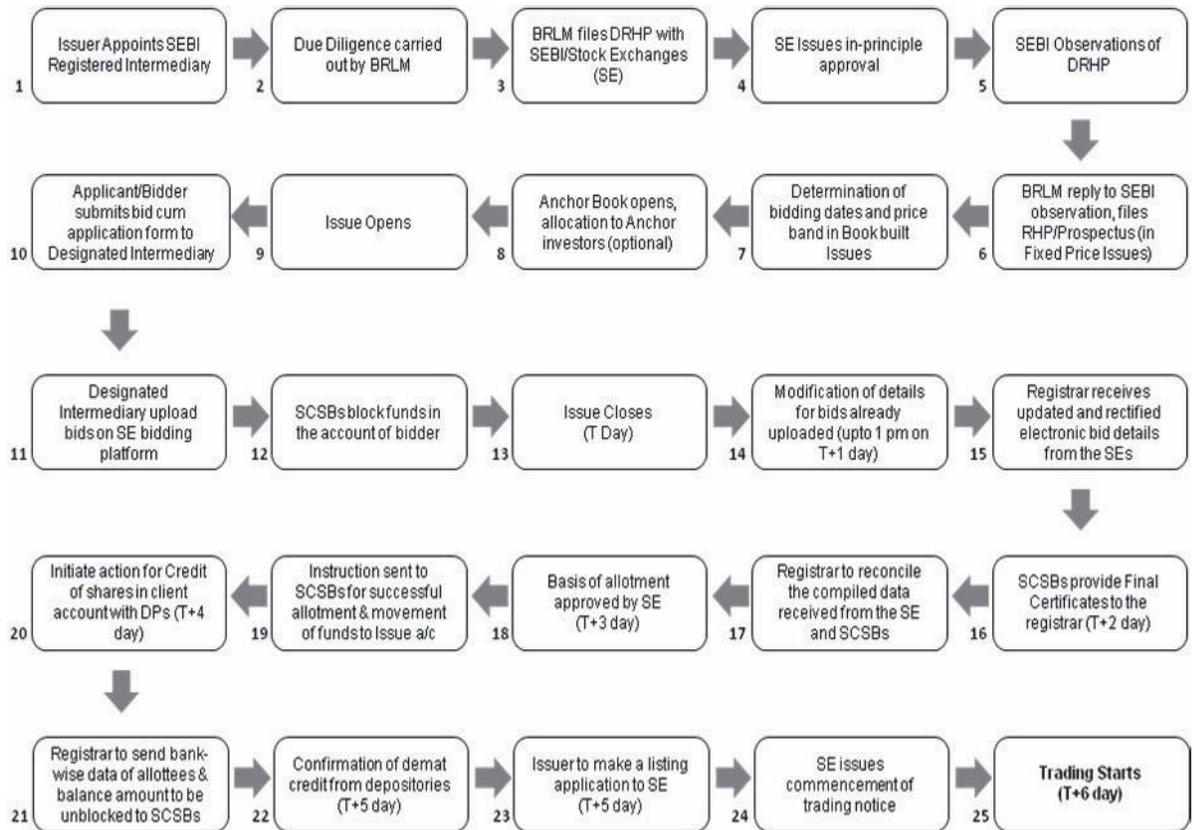
The Offer may be kept open for a minimum of three additional Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer 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/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three additional Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM, 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 below. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - (i) Step 7 : Determination of Offer 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, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of First or Sole Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs registered with SEBI, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and

- Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non-Institutional Investors (NIIs) category;
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non-Institutional Bidders 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 in India, which are authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws. As per the existing regulations, OCBs are not allowed to participate in the Offer.

#### SECTION 4: APPLYING IN THE OFFER

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a Designated Intermediary or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the 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 NRI Bidders applying on a non repatriation basis  | White                                  |
| NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) and 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 dematerialised 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><br>Address : _____ Contact Details: _____ CIN No _____   | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIe APPLYING ON A NON-REPATRIATION BASIS</b>  |                  |                                    |              |  |
| LOGO  | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED   | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">BOOK BUILT ISSUE</td> <td style="width:50%; text-align: center;">Bid cum Application Form No. _____</td> </tr> <tr> <td style="text-align: center;">ISIN : _____</td> <td></td> </tr> </table> | BOOK BUILT ISSUE | Bid cum Application Form No. _____ | ISIN : _____ |  |
| BOOK BUILT ISSUE  | Bid cum Application Form No. _____   |  |                  |                                    |              |  |
| ISIN : _____  |  |  |                  |                                    |              |  |
| SYNDICATE MEMBER'S STAMP & CODE   | BROKER/SCSB/DP/RTA STAMP & CODE  | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>  |                  |                                    |              |  |
|   |  | Mr. / Ms. _____<br>Address _____<br>Tel. No (with STD code) / Mobile _____   |                  |                                    |              |  |
| SUBBROKER'S / SUBAGENT'S STAMP & CODE   | BRO/W BANK/SCSB BRANCH STAMP & CODE  | <b>2. PAN OF SOLE / FIRST BIDDER</b>   |                  |                                    |              |  |
|   |  |  |                  |                                    |              |  |
| BANK BRANCH SERIAL NO.  | SCSB SERIAL NO.  | <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL  |                  |                                    |              |  |
|   |  |  |                  |                                    |              |  |
| <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>   |  | <b>5. CATEGORY</b>   |                  |                                    |              |  |
|   | No. of Equity Shares Bid (in Figures)<br>(Bid must be in multiples of Bid Lot as advertised)   |  |                  |                                    |              |  |
|   | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹1/-only) (in Figures)   |  |                  |                                    |              |  |
|   | Bid Price    Retail Discount    Net Price  |  |                  |                                    |              |  |
|   | "Cut-off" (Please tick)  |  |                  |                                    |              |  |
|   | Option 1   |  |                  |                                    |              |  |
|   | OR Option 2  |  |                  |                                    |              |  |
|   | OR Option 3  |  |                  |                                    |              |  |
| <b>6. INVESTOR STATUS</b>   |  | <input type="checkbox"/> Retail Individual Bidder  |                  |                                    |              |  |
| <input type="checkbox"/> Individual(s) - IND  |  | <input type="checkbox"/> Non-Institutional Bidder  |                  |                                    |              |  |
| <input type="checkbox"/> Hindu Undivided Family - HUF   |  | <input type="checkbox"/> QIB   |                  |                                    |              |  |
| <input type="checkbox"/> Bodies Corporate - CB  |  | <input type="checkbox"/> Insurance Funds - IF  |                  |                                    |              |  |
| <input type="checkbox"/> Banks & Financial Institutions - FI  |  | <input type="checkbox"/> Venture Capital Funds - VCF   |                  |                                    |              |  |
| <input type="checkbox"/> Mutual Funds - MF  |  | <input type="checkbox"/> Alternative Investment Funds - AIF  |                  |                                    |              |  |
| <input type="checkbox"/> Non-Resident Indian - NRI (Non-Repatriation basis)   |  | <input type="checkbox"/> Others (Please specify) - OIB   |                  |                                    |              |  |
| <input type="checkbox"/> National Investment Fund - NIF   |  | <small>*HUF should apply only through Karta (Application by HUF would be treated as per with Indians)</small>  |                  |                                    |              |  |
| <input type="checkbox"/> Insurance Funds - IF   |  |  |                  |                                    |              |  |
| <input type="checkbox"/> Pension Companies - P  |  |  |                  |                                    |              |  |
| <input type="checkbox"/> Venture Capital Funds - VCF  |  |  |                  |                                    |              |  |
| <input type="checkbox"/> Alternative Investment Funds - AIF   |  |  |                  |                                    |              |  |
| <input type="checkbox"/> Others (Please specify) - OIB  |  |  |                  |                                    |              |  |
| <b>7. PAYMENT DETAILS</b>   |  | <b>PAYMENT OPTION: FULL PAYMENT    PART PAYMENT</b>  |                  |                                    |              |  |
| Amount paid (₹ in figures) _____ (₹ in words) _____   |  |  |                  |                                    |              |  |
| ASBA Bank A/c No. _____   |  |  |                  |                                    |              |  |
| Bank Name & Branch _____  |  |  |                  |                                    |              |  |
| <small>I/WE (ON BEHALF OF JOINT APPLICANT, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDER TAKING" AS GIVEN OVER LEAF. I/WE (ON BEHALF OF JOINT APPLICANT, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING OF THE BID CUM APPLICATION FORM GIVEN OVER LEAF.</small> |  |  |                  |                                    |              |  |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>   | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br><small>I/We authorize the SCSB to debit/credit as necessary to fund the Application in the line</small> | <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging option do / Bid to the eXchange system)   |                  |                                    |              |  |
|   |  |  |                  |                                    |              |  |
| TEAR HERE   |  |  |                  |                                    |              |  |
| LOGO  | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - R</b>  | <b>Acknowledgment Slip for Broker/SCSB/DP/RTA</b>  |                  |                                    |              |  |
| DPID / CIJD   | PAN of Sole / First Bidder   | Bid cum Application Form No. _____   |                  |                                    |              |  |
| Amount paid (₹ in figures) _____  | Bank & Branch _____  | Stamp & Signature of SCSB Branch   |                  |                                    |              |  |
| ASBA Bank A/c No. _____   | Received from Mr/Ms _____  | Telephone / Mobile _____   |                  |                                    |              |  |
| Telephone / Mobile _____  | Email _____  | TEAR HERE  |                  |                                    |              |  |
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>   | Option 1    Option 2    Option 3   | Stamp & Signature of Broker / SCSB / DP / RTA  |                  |                                    |              |  |
| No. of Equity Shares  | Bid Price  | Name of Sole / First Bidder  |                  |                                    |              |  |
| Amount Paid (₹)   | ASBA Bank A/c No. _____  | <b>Acknowledgment Slip for Bidder</b>  |                  |                                    |              |  |
| ASBA Bank A/c No. _____   | Bank & Branch _____  | Bid cum Application Form No. _____   |                  |                                    |              |  |
| Bank & Branch _____   |  |  |                  |                                    |              |  |

# Application Form For Non-Residents

|   |  |  |  |
|---|--|--|--|
| <b>COMMON BID CUM APPLICATION FORM</b>  | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br>Address : ..... Contact Details: ..... CIN No .....  | <b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>     |  |
| <b>LOGO</b>   | TO,<br><b>THE BOARD OF DIRECTORS</b><br>XYZ LIMITED  | <b>BOOK BUILT ISSUE</b><br>ISIN : .....  |  |
|   |  | <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>  |  |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  | <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>  | Mr./Ms. _____  |  |
| <b>BANK BRANCH SERIAL NO.</b>   | <b>SCSB SERIAL NO.</b>   | Address _____  |  |
|   |  | Email _____  |  |
|   |  | Tel. No (with STD code) / Mobile _____   |  |
|   |  | <b>2. PAN OF SOLE / FIRST BIDDER</b>   |  |
|   |  | _____  |  |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL   |  | <b>6. INVESTOR STATUS</b>  |  |
| For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID  |  | <input type="checkbox"/> <b>NRI</b> Non-Resident Indian(s)<br>(Repatriation basis)                         |  |
| <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>   |  | <input type="checkbox"/> <b>FII</b> FII or Sub-account not a Corporate/Foreign Individual                  |  |
| <b>Bid Options:</b>   | <b>No. of Equity Shares Bid (In Figures)</b><br>(Bids must be in multiples of Bid Lot as advertised)   | <b>Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</b>              |  |
|   | Bid Price    Retail Discount    Net Price    "Cut-off" (Please tick)   | <input type="checkbox"/> <b>Retail Individual Bidder</b>   |  |
| Option 1  | _____  | _____  | <input type="checkbox"/> <b>Non-Institutional Bidder</b> |
| (OR) Option 2   | _____  | _____  | <input type="checkbox"/> <b>QIB</b>                      |
| (OR) Option 3   | _____  | _____  | <input type="checkbox"/>                                 |
| <b>7. PAYMENT DETAILS</b>   |  | <b>5. CATEGORY</b>   |  |
| Amount paid (₹ in figures) _____ (₹ in words) _____   |  | <input type="checkbox"/> <b>FII SA</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>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/> |  |
| <b>ASBA</b><br>Bank A/c No. _____   |  |  |  |
| Bank Name & Branch _____  |  |  |  |
| <small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABREGED 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 FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small> |  |  |  |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>   | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br><small>(I/We authorize the SCSB to do all bids as are necessary to make the Application in the name</small> | <b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>               |  |
| Date : _____  | 1) _____<br>2) _____<br>3) _____   |  |  |
| TEAR HERE   |  |  |  |
| <b>LOGO</b>   | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - NR</b>   | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>   |  |
|   |  | <b>Bid cum Application Form No.</b> _____  |  |
| <b>DPID / CLID</b>  | <b>PAN of Sole / First Bidder</b>  |  |  |
| _____   | _____  |  |  |
| Amount paid (₹ in figures) _____  | Bank & Branch _____  | <b>Stamp &amp; Signature of SCSB Branch</b>  |  |
| ASBA Bank A/c No. _____   |  | _____  |  |
| Received from Mr./Ms. _____   |  |  |  |
| Telephone / Mobile _____ Email _____  |  |  |  |
| TEAR HERE   |  |  |  |
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>  | <b>Option 1    Option 2    Option 3</b>  | <b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>   |  |
| No. of Equity Shares  | _____  | _____  |  |
| Bid Price   | _____  |  |  |
| Amount Paid (₹)   | _____  |  |  |
| ASBA Bank A/c No. _____   |  | <b>Name of Sole / First Bidder</b>   |  |
| Bank & Branch _____   |  | _____  |  |
|   |  | <b>Acknowledgement Slip for Bidder</b>   |  |
|   |  | <b>Bid cum Application Form No.</b> _____  |  |

#### 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 ASBA Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to the Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending 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 dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose first or sole name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all

Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

- (c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLM 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 and the Selling Shareholder on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Employee Discount(as applicable), payable by the Bidder does not exceed ₹ 500,000. Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, 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 Eligible NRI Bidders, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at “Cut-off Price”.
- (d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/

Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

- (g) A Bid cannot be submitted for more than the Offer 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 Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
  - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - (i) 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.
  - (ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.
  - (iv) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding,

allocation and allotment in the Offer are RIIs, NIIs and QIBs.

- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or allotment that may be made to various categories of Bidders in the Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **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 Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in a Bidder's ASBA Account based on the authorisation provided by the Bidder in the ASBA Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked in respect of 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) Bidders who Bid at Cut-off price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.
- (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 the BRLM.

- (b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT.
- (c) The Escrow Collection Bank 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 Bidders

- (a) Bidders may submit the ASBA Form either
  - (i) in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - (ii) in physical mode to a Designated Intermediary at a Bidding Centre.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a 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 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 Bid cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at a Bidding Centre 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 an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, 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 Bid cum Application 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 on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with

the SCSBs.

- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Escrow Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Escrow 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 Escrow Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Escrow Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Escrow Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Offer Closing Date.

#### 4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by Eligible NRI Bidders applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### 4.1.7.4 **Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh rupees (under the RII category) or more than five lakh rupees (under the Employee Reservation Portion), the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category nor the Employee Reservation Portion.

#### 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) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the relevant Designated Intermediary for submission of the ASBA Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - (iii) In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.
  - (iv) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
- (c) The following details (as applicable) should be quoted while making any queries –
  - (i) full name of the First or Sole Bidder/Applicant, Bid cum Application Form number, Applicants/Bidders, DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.
  - (ii) name and address of the Designated Intermediary where the Bid was submitted; and
  - (iii) The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

#### 4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/ Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise or withdraw their bids till closure of the bidding period.



the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND 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 AND 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 RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 (₹ 500,000 in case of Employees). In case the Bid Amount for any Bid by the RIIs exceeds ₹ 200,000 (₹ 500,000 in case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, (excluding the Bids by Employees under the Employee Reservation Portion) the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees 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 finalisation of the basis of allotment.

**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 the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional

payment) exceeds ₹ 200,000 (excluding the Bids by Employees under the Employee Reservation Portion), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have Bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after finalisation of the 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 AND 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 AND AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Managers to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer 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

Offer to detect multiple applications:

- (i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - (ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- (i) 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.
  - (ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.
  - (iv) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

#### 4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (d) The SEBI ICDR Regulations specify the allocation or allotment that may be made to various categories of applicants in the Offer 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**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or

repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, the RIIs 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) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.
- (c) RIIs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price
- (d) Application Amount cannot be paid through cheques and demand drafts or in cash, through money order or through postal order or through stock invest.

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 Bank shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors until the Designated Date.

##### 4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

##### 4.3.5.2.1 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

##### 4.3.5.2 **Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the RHP/ Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may authorise blocking of an amount i.e. the Application Amount less Discount (if applicable). Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed ASBA Form / Revision Form in the following manner:-

| Mode of Application             | Submission of Bid cum Application Form  |
|---------------------------------|---|
| Application by Anchor Investors | To the BRLM at the locations specified in the Anchor Investor Application Form  |
| Applications by other Bidders   | (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 CDP Locations.<br><br>(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 ASBA Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and registration of the Prospectus with the RoC, the ASBA Form will be considered as the application form.

### SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

#### 5.1 SUBMISSION OF BIDS

- (a) During the Bid/ Offer Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLM to register their Bids.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

#### 5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediaries 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 online facilities for Book Building on a regular basis before the closure of the Offer.
- (b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus and 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 up to one day after the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the 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 BRLM at the end of the Bid/ Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Offer Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until the Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
  - (i) the Bids accepted by the Designated Intermediaries,
  - (ii) the Bids uploaded by the Designated Intermediaries, or
  - (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLM 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 BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

#### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the 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/Applications 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;
- (b) 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);
- (c) Bids/Applications by OCBs;
- (d) 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;
- (e) 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;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) The amounts mentioned in the Bid cum Application Form/Application Form do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (p) Submission of more than five Bid cum Application Forms/Application Form through a single ASBA Account;
- (q) Bids not uploaded in the Stock Exchanges bidding system
- (r) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;

- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;
- (x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in the Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in any category (except for the 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 BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) A Bid by an Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial allocation of up to ₹ 200,000 per Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000(which shall be less the Employee Discount, if applicable).For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

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

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The

illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| <b>Bid Quantity</b> | <b>Bid Amount<br/>(in ₹)</b> | <b>Cumulative Quantity</b> | <b>Subscription (in %)</b> |
|---------------------|------------------------------|----------------------------|----------------------------|
| 500                 | 24                           | 500                        | 16.67                      |
| 1,000               | 23                           | 1,500                      | 50                         |
| 1,500               | 22                           | 3,000                      | 100                        |
| 2,000               | 21                           | 5,000                      | 166.67                     |
| 2,500               | 20                           | 7,500                      | 250                        |

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 in the above example. The Issuer, in consultation with the BRLM may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

**(e) Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

**SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer 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 a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date.

In a fixed price Offer, allocation in the 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 the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidders 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 Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

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

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

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for 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 Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for 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 Offer Price will be at the discretion of the Issuer, in consultation with the BRLM, 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 ₹ 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 10 crores in the Issue.

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 BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorised 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 Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Escrow Account with the Bankers to the Offer. The balance amount after transfer to the Escrow Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Escrow Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING**

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Offer Closing Date.

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 rates prescribed under applicable law.

### **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 may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees 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 fifty thousand rupees but which may extend to three lakh rupees, 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 the Bidders/Applicants in pursuance of the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

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.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Offer Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds 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 Selling Shareholder, the Registrar to the Offer, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.
- (d) In the case of Bids from Eligible NRI Bidders, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholder may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

#### 8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

- (a) **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/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 Bidder/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 Investor's 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) **Direct Credit**— Anchor Investors having their bank account with the Refund Banks may be eligible to receive refunds, if any, through direct credit to such bank account; and

- (d) **RTGS**— Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc, Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

#### **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 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. In case of inconsistency in the description of a term mentioned below and the description ascribed to such term in other section of this Red Herring Prospectus, the description as ascribed to such term in the in the other section of this Red Herring Prospectus shall prevail.*

| <b>Term</b>  | <b>Description</b>  |
|--|---|
| Acknowledgement Slip                                   | The Slip or document issued by the Designated Intermediary to an ASBA Bidder as proof of registration of the ASBA Bid   |
| Allotment/ Allot/ Allotted Allottee                    | The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants<br>A Bidder/Applicant to whom the Equity Shares are Allotted  |
| Allotment Advice                                       | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges  |
| Anchor Investor  | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.   |
| Anchor Investor Application Form                       | The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the Red Herring Prospectus and Prospectus.  |
| Escrow Account   | An account opened with the Escrow Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid  |
| Anchor Investor Portion                                | Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLM, 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 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 from, whether physical or electronic, used by 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 Bidder/Applicant   |
| Bidder/Applicant                                       | Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA  |
| Banker(s) to the Offer/                                | The banks which are clearing members and registered with SEBI as Banker to the Offer  |

| <b>Term</b>   | <b>Description</b>   |
|---|--|
| Escrow Collection Bank(s)/<br>Collecting Banker                       | with whom the Escrow Account may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer  |
| Basis of Allotment  | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer  |
| Bid   | An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bidding Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application   |
| Bid Amount  | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.  |
| Bid cum Application Form  | The Anchor Investor Application Form or the ASBA Form, as the context requires   |
| Bid /Offer Closing Date   | Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Closing Date  |
| Bid/Offer Opening Date  | The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Opening Date   |
| Bid/Offer Period  | Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Period |
| Bidder/Applicant  | Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean a Bidder/Applicant   |
| Book Built Process/<br>Book Building Process/<br>Book Building Method | The book building process as provided under SEBI ICDR Regulations in terms of which the Offer is being made  |
| Broker Centres  | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.  |
| BRLM/ Book Running<br>Lead Manager/ Lead<br>Manager/ LM               | The Book Running Lead Managers to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Managers/ Book Running Lead Managers should be construed to mean the Lead Managers or LMs   |
| Business Day  | Monday to Friday (except public holidays)  |
| CAN/Confirmation<br>Allotment Note                                    | Note or intimation of allocation of Equity Shares sent to each Anchor Investor who have been allocated Equity Shares after the Anchor Investor Bidding Date.   |
| Cap Price   | The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted   |
| Client ID   | Client Identification Number maintained with one of the Depositories in relation to demat account  |

| <b>Term</b>                                    | <b>Description</b>  |
|--|---|
| Category III FPI                               | FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.   |
| 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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.  |
| Companies Act                                  | The Companies Act, 1956 or the Companies Act, 2013, as the context requires.  |
| Cut-off Price                                  | Offer Price, finalised by the Issuer, in consultation with the BRLM, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and Employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price   |
| DP   | Depository Participant  |
| DP ID  | Depository Participant’s Identification Number  |
| Depositories                                   | National Securities Depository Limited and Central Depository Services (India) Limited  |
| Demographic Details                            | Details of the Bidders/Applicants including the Bidder/Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details  |
| Designated Branches                            | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (other than 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 where Bidders can submit the ASBA Forms to Collecting Depository Participants.<br><br>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> ), as updated from time to time |
| Designated Date                                | The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Escrow Account in terms of the Red Herring Prospectus or the amounts blocked by the SCSBs are transferred from the ASBA Accounts of successful Allottees to the Escrow Account, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.  |
| Designated Intermediaries                      | The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Offer  |
| Designated RTA Locations                       | Such locations where Bidders can submit the ASBA Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )   |
| Designated Stock Exchange                      | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer  |
| Discount                                       | Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.  |
| Draft Prospectus                               | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band  |
| Employees                                      | Employees of an Issuer as defined under SEBI ICDR Regulations 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 Agreement                               | Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Managers, the Escrow Collection Banks and the Refund Banks for collection of the Bid Amounts from Anchor Investors and remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof  |
| Escrow Collection Bank(s)                      | Refer to definition of Banker(s) to the Offer   |
| FCNR Account                                   | Foreign Currency Non-Resident Account   |

| <b>Term</b>  | <b>Description</b>  |
|--|---|
| First Bidder/Applicant                                   | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form  |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations   |
| Floor Price  | The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto  |
| FPIs   | Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.   |
| FPO  | Further public offering   |
| Foreign Venture Capital Investors or FVCIs               | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000  |
| IPO  | Initial public offering   |
| Issuer/ Company  | The Issuer proposing the initial public offering/further public offering as applicable  |
| Offer Price  | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager.  |
| Maximum RII Allottees                                    | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.  |
| MICR   | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf  |
| Mutual Fund  | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996  |
| Mutual Funds Portion                                     | 5% of the QIB Portion (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 which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS. |
| NEFT   | National Electronic Fund Transfer   |
| Net Offer  | The Offer less reservation portion  |
| NRE Account  | Non-Resident External Account   |
| NRI  | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares   |
| NRO Account  | Non-Resident Ordinary Account   |
| Non-Institutional Investors or NIIs                      | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III FPIs that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRI Bidders)   |
| Non-Institutional Category                               | The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form   |
| Non-Resident   | A person resident outside India, as defined under FEMA and includes Eligible NRI Bidders, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIs  |
| 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%  |

| <b>Term</b>                                  | <b>Description</b>   |
|--|--|
|  | of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA  |
| Offer  | Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable   |
| Offer for Sale                               | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder   |
| Offer Price                                  | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer, in consultation with the Book Running Lead Managers  |
| 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 Income Tax Act, 1961   |
| Price Band                                   | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer, in consultation with the Book Running Lead Managers and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation. |
| Pricing Date                                 | The date on which the Issuer, in consultation with the Book Running Lead Managers, finalise the Offer Price  |
| Prospectus                                   | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price ,the size of the Offer and certain other information   |
| Escrow Account                               | A bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date   |
| QIB Portion                                  | The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis  |
| Qualified Institutional Buyers or QIBs       | As defined under SEBI ICDR Regulations   |
| RTGS   | Real Time Gross Settlement   |
| Red Herring Prospectus/ RHP                  | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer 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 Bidders 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.  |
| Refunds through electronic transfer of funds | Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable   |
| Registered Broker                            | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate   |
| Registrar to the Offer/RTI Form              | The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form   |
| Retail Individual Bidders/                   | Investors who applies or bids for a value of not more than ₹ 200,000.  |

| <b>Term</b>                                 | <b>Description</b>   |
|---|--|
| Retail Individual Investors / RIIs          |  |
| Retail Shareholders                         | Individual Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.   |
| Retail Category                             | The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.   |
| Revision Form                               | The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)   |
| RoC   | The Registrar of Companies   |
| SEBI  | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992  |
| SEBI ICDR Regulations                       | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009  |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <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 Centres  |
| Stock Exchanges/ SE                         | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed  |
| Syndicate                                   | The Book Running Lead Managers, and the Syndicate Member(s)  |
| 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 Managers and the Syndicate Member(s)   |
| Underwriting Agreement                      | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date   |
| Working Day                                 | “Working Day” means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the FDI Policy and FEMA and circulars and notifications issued there under. FEMA regulates the manner in which foreign investment may be made.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular. The DIPP issued the Standard Operating Procedure (“**SOP**”) for Processing FDI Proposals on June 29, 2017, provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the “**Competent Authority**”) for the grant of post-facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the competent authority, DIPP shall identify the Competent Authority.

As per current foreign investment policies, 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 FEMA and transfer does not attract 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 guidelines prescribed by SEBI / RBI. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB and accordingly, the process for FDI and its approval from the Government of India will now be handled by the relevant ministries or departments, in consultation with the DIPP.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*The main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.*

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### APPLICATION

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1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Act shall apply to the Company, except in so far as the same has been adopted, modified or expressly mentioned as 'not being applicable' in these Articles.
- (2) Articles shall act as the regulations for the management of the Company and for the observance by its members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of, or addition to, its Articles by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Act or any Applicable Law or any amendment or notification thereto.

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### SHARE CAPITAL AND VARIATION OF RIGHTS

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3. (a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.  
  
(b) Subject to the provisions of the Act, these Articles, SEBI Guidelines and Applicable Laws and other statutory provisions, the shares in the capital of the Company shall be under the control of the board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and may issue and allot shares in the capital of the Company on payment in full or part for any property or assets of any kind whatsoever purchased by the Company, goods or machinery supplied or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid or partly paid up shares, as the case may be.
4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. The Company may issue the following kinds of shares in accordance with these Articles. The Act, the Rules and Applicable Laws:
  - (a) Equity Share Capital
    - (i) With voting rights; and / or
    - (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - (b) Preference Share Capital.
7. Subject to the applicable provisions of the Act and Applicable Laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions

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|     | as to redemption, surrender, drawing, allotment of shares etc. 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.  |
| 8.  | The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.  |
| 9.  | The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in the General Meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.  |
| 10. | Subject to the provisions of Section 61 of the Act, the Company in the General Meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in the General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.  |
| 11. | Subject to compliance with applicable provision of the Act and the Rules framed there under, the Company shall have power to issue depository receipts in any foreign country.   |
| 12. | (1) Subject to compliance with applicable provision of the Act and the Rules framed thereunder, the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.<br><br>(2) Subject to the provision of the Act and the Rules made there under, the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.  |
| 13. | (1) Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide-<br><br>(a) One certificate for all his shares without payment of any charges; or<br><br>(b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.<br>(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.<br><br>(3) In respect of any shares or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such shareholders.   |
| 14. | (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as prescribed under the Act or as near thereto as possible, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of |

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allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Company Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Company Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. 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.

(b) 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.

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15. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

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16. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

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17. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

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18. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(4) The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

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19. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(2) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

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20. 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.

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21. Subject to the provisions of the Act, the Company shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or

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converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.

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22. Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered:
- (a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions: -
    - (i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
    - (ii) the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and
    - (iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or
  - (b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or
  - (c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder.
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23. A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of initial public offer, further public offer, rights issue, preferential offer or private placement, qualified institutions placement and such other issuance as may be allowed in accordance with the prevailing laws and regulations in force, subject to and in accordance of the Act and other regulations governing such issues.
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**LIEN**

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24. (1) The Company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:
- Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
  - (3) Unless otherwise agreed by the board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

- (4) That 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.
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25. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.
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26. (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
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27. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
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28. 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 recognize any equitable or 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.
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29. The provision of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.
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#### **CALLS ON SHARES**

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30. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (2) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
- (3) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. Provided that before the time for payment of such call and/or before receiving any amount towards such call, the Board may by notice revoke or postpone the call so made.
- (4) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
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31. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
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32. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof

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(the “due date”), the person from whom the sum is due shall pay interest thereon and such other expenses which have been incurred by the Company due to non-payment of such call as the Board may think fit, from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest and other expenses wholly or in part.

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33. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) 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.

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34. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the members (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

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35. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

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36. All calls shall be made on a uniform basis on all shares falling under the same class.

*Explanation:* Shares of all the same nominal value on which different amounts have been paid – up shall not be deemed to fall under the same class.

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37. Neither a judgment nor a decree in favour of the Company for calls or other money 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.

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38. The provision of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

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#### **TRANSFER OF SHARES**

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39. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee;

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

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40. The instrument of transfer of any share shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act or Applicable Law shall be duly complied with in respect of all transfers of shares and registration thereof.

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41. (i) The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

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|  | (ii) That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;   |
| 42.  | The Board may decline to register any instrument of transfer unless –   |
|  | (a) the instrument of transfer is duly stamped, dated and executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;   |
|  | (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and   |
|  | (c) the instrument of transfer is in respect of only one class of shares.   |
| 43.  | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.   |
| 44.  | The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 of the Act and rules made there under to close the Register of Members and/or the Register of debentures holders and/or other security holders and registration of transfer may be suspended at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. |
| 45.  | The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.  |
| 46.  | Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.  |
| 47.  | The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  |
| <b>NOMINATION AND TRANSMISSION OF SHARES</b> |   |
| 48.  | (i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.  |
|  | (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.   |
|  | (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.  |
|  | (iv) If the holder(s) of the securities survive(s) the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.  |
| 49.  | (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.  |
|  | (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.   |
| 50.  | (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may,  |

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upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

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51. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

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52. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

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53. Notwithstanding anything contained in Article 41, in the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed under sub-section 1 of section 56 of the Act or any modification thereof as circumstances permit.

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54. 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.

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#### **FORFEITURE OF SHARES**

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55. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

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56. The notice aforesaid shall:
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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57. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
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| 58. | Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.   |
| 59. | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.   |
| 60. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.   |
| 61. | <p>(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.</p> <p>(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>  |
| 62. | <p>(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</p> <p>(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>                                     |
| 63. | <p>(1) 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;</p> <p>(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(3) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p> |
| 64. | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares 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.   |
| 65. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same has on demand by the Company been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate   |

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|     | certificate(s) in respect of the said shares to the person(s) entitled thereto.  |
| 66. | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.  |
| 67. | 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. |
| 68. | The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.  |

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**ALTERATION OF CAPITAL**

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| 69. | <p>Subject to the provisions of the Act, the Company may, by ordinary resolution –</p> <p>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:</p> <p>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(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;</p> <p>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>   |
| 70. | <p>Where shares are converted into stock:</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>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;</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</p> <p>(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.</p> |
| 71. | <p>The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:</p> <p>(a) its share capital; and/or</p> <p>(b) any capital redemption reserve account; and/or</p>   |

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(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

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#### **JOINT HOLDERS**

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72. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
  - (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
  - (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
  - (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
  - (e) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
  - (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.
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#### **CAPITALISATION OF PROFITS**

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73. (1) The Company, in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, securities premium account or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2)
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(2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportion as may be determined by the law in accordance with the law;
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
  - (d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
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74. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

- (a) make all appropriations and applications of the amounts resolved to be authorized thereby, and

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all allotments and issues of fully paid shares or other securities, if any; and

(b) generally, do all acts and things required to give effect thereto.

(2) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be authorized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.

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#### **BORROWING POWERS**

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75. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act, Applicable Law and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

- (i) accept or renew deposits from Shareholders;
- (ii) borrow money by way of issuance of Debentures;
- (iii) borrow money otherwise than on Debentures;
- (iv) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

Provided further that the Board may delegate the power specified in sub clause (iii) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose.

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76. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Members by Special Resolution in the General Meeting.

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77. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be.

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78. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

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79. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members

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|  | in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.  |
| 80.                                    | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.  |
| <b>BUY-BACK OF SHARES</b>              |   |
| 81.                                    | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any Applicable Law for the time being in force, the Company may purchase its own shares or other specified securities.  |
| <b>GENERAL MEETINGS</b>                |   |
| 82.                                    | All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.   |
| 83.                                    | (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.<br>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.  |
| <b>PROCEEDINGS AT GENERAL MEETINGS</b> |   |
| 84.                                    | (1) No business shall be transacted at any general meeting unless a quorum of members is present while transacting business.<br>(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.<br>(3) The quorum for a general meeting shall be as provided in section 103 of the Act.  |
| 85.                                    | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.  |
| 86.                                    | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one among themselves to be Chairperson of the meeting.   |
| 87.                                    | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands, by poll or electronically, choose one of their members to be Chairperson of the meeting.  |
| 88.                                    | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.  |
| 89.                                    | (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors to be prepared and signed in such manner as prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned thereof in books kept for that purpose with their pages consecutively numbered.<br><br>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –<br><br>(a) is, or could reasonably be regarded, as defamatory of any person; or<br><br>(b) is irrelevant or immaterial to the proceedings; or<br><br>(c) is detrimental to the interests of the Company.<br><br>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.<br><br>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. |

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90. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the registered office of the Company; and
  - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all business days.

Provided such member gives at least 7 days' notice in writing of his intention to do so.

- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of a maximum fee as prescribed in the Act for each page or part thereof, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

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91. (1) The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Notwithstanding anything contained in these Articles, the Company may, and in case of resolutions relating to such business as notified under Rule (22)(16) of the Companies (Management and Administration) Rules, 2014 or Applicable Laws to be passed by postal ballot, shall get the resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

- (2) Where the Company decides to pass the resolution by postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with Companies (Management and Administration) Rules, 2014, as amended from time to time.

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#### **ADJOURNMENT OF MEETING**

92. (1) The Chairperson 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.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid and save as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

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#### **VOTING RIGHTS**

93. Subject to any rights or restrictions for the time being attached to any class or classes of shares –
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
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94. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
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95. (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

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| 96.  | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or senior most guardian as determined in the order in which name stands in the document(s) received by the Company advising of the guardianship.  |
| 97.  | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. |
| 98.  | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.   |
| 99.  | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. The Register of Members shall be conclusive evidence of the payment of calls, liens or other sums and in case of any error in the Register of Members, it shall not invalidate the proceedings of the Meeting.   |
| 100. | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.   |
| 101. | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.   |

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#### **PROXY**

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| 102. | (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.  |
|      | (2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. |
| 103. | An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.  |
| 104. | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:   |

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Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

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| 105. | (1) The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors to more than fifteen in compliance with the Act. |
|      | (2) The following shall be the first directors of the Company:<br>(i) Lalitkumar Gandhi<br>(ii) Taru Lalitkumar Gandhi  |
|      | (3) The same individual may, at the same time, be appointed as the Chairperson of the Company as well   |

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as the Managing Director or Chief Executive Officer of the Company.

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106. Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

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107. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) 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 meetings of the Company; or

(b) in connection with the business of the Company.

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108. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

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109. (1) Subject to the provisions of Sections 149 & 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

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110. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

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111. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.

(2) Provided, that the director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

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#### **POWERS OF BOARD**

112. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

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#### **PROCEEDINGS OF THE BOARD**

113. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its

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|      | meetings, as it thinks fit.   |
|      | (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.   |
|      | (3) The quorum for a Board Meeting shall be as provided in the Act.   |
|      | (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means as may be prescribed by the Rules or permitted under law.  |
| 114. | (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.   |
|      | (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.   |
| 115. | 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.  |
| 116. | (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  |
|      | (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.  |
| 117. | (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.  |
|      | (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.   |
|      | (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or other audio-visual means, as may be prescribed by the Rules or permitted under law.   |
| 118. | (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.  |
|      | (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.   |
| 119. | (1) A Committee may meet and adjourn as it thinks fit.  |
|      | (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.  |
|      | (3) In case of an equality of votes, the Chairperson of the Committee or Meeting shall have a second or casting vote.   |
| 120. | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. |
| 121. | Subject to the provisions of the Act, a resolution of the Board may be passed by circulation, if the resolution has been circulated in draft, along with necessary documents, if any, to all Directors or members of the Committee, as the case may be, at their address registered with the Company in India   |

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by hand delivery or by post or by courier or through electronics means and has been approved by majority of Directors or Members, who are entitled to vote on the resolution.

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**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

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122. (a) Subject to the provisions of the Act:

Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act.

(b) A director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer.

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**REGISTERS AND INSPECTION THEROF AND OTHER DOCUMENTS**

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123. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on each business day at the registered office of the Company by the persons entitled thereto provided such person gives at least 7 days' notice of his intention to do so, on payment of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Such person if authorized by the Act and the Rules, can also take copies of such registers by paying a maximum fee as prescribed in the Act per page or part thereof to the Company. The Company shall take steps to provide the copies of the registers to such person within 7 days of receipt of the fees. The Board, if deem fit, may waive off this fee.

The Company shall, on being so required by a Member, send to him within seven days of the request and subject to payment of a maximum fee as prescribed in the Act for each copy of the documents specified in Section 17 of the Act. The Board, if deem fit, may waive off this fee.

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124. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

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**THE SEAL**

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125. (1) The Board shall provide for the safe custody of the seal.

(2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of one director and such director shall sign every instrument to which the seal of the Company is so affixed.

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**DIVIDENDS AND RESERVE**

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126. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

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127. Subject to the provisions of Section 123 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.

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128. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for

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meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

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129. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

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130. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

(3) Any money transferred to the Unpaid Dividend Account of the Company which remains unclaimed for a period of seven years from the date of such transfer shall be transferred to the Fund established under Section 125 of the Act.

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131. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

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132. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

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133. No dividend shall bear interest against the Company.

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134. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

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135. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the rules.

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board or by the Company in a general meeting.

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**WINDING UP**

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136. Subject to the applicable provisions of Chapter XX of the Act and the rules made thereunder:
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
  - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
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#### **INDEMNITY AND INSURANCE**

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137. (a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) 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.
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138. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
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#### **GENERAL POWER**

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139. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
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140. At any point of time from the date of adoption of these Presents, if they come contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Regulations"), the provisions of the Regulations shall prevail over the Articles to such extent.
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## 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 September 27, 2018 entered into between our Company, the Selling Shareholders and the BRLM.
- (ii) Registrar Agreement dated September 21, 2018 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.
- (iii) Cash Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM and the Escrow Collection Bank(s), Refund Banker and Public Offer Bank(s).
- (iv) Share Escrow Agreement dated [●] entered into amongst our Company, the BRLM and the Escrow Agent.
- (v) Syndicate Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members.
- (vi) Monitoring Agency Agreement dated [●] entered into between our Company and [●].
- (vii) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer and the Underwriters.

#### 2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of incorporation dated May 22, 2007.
- (iii) Fresh certificate of incorporation dated September 10, 2018 consequent upon conversion from private company to public company.
- (iv) Resolutions of the Board of Directors dated September 10, 2018 in relation to the Offer.
- (v) Shareholders' resolution dated September 14, 2018 in relation to the Offer.
- (vi) Resolution of the Board of Directors dated September 27, 2018, taking on record the Offer and, approving this Draft Red Herring Prospectus.
- (vii) Approval by way of consent letter dated September 14, 2018, from Pankaj Kumar Gandhi authorizing the offer of up to [●] Equity Shares aggregating up to ₹ 240.00 million as part of the Offer for Sale.

- (viii) Approval by way of consent letter dated September 14, 2018, from Alka Pankaj Gandhi authorizing the offer of up to [●] Equity Shares aggregating up to ₹ 240.00 million as part of the Offer for Sale.
- (ix) The examination reports dated September 22, 2018 of the Statutory Auditor, on our Company's Restated Standalone Financial Statements and Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus.
- (x) Copies of the annual reports of our Company for the Fiscals 2014, 2015, 2016, 2017 and 2018.
- (xi) Statement of Tax Benefits dated September 25, 2018 from the Statutory Auditor.
- (xii) Consent of the Directors, the BRLM, the Syndicate Members, Legal Counsels, Registrar to the Offer, Escrow Collection Bank(s), Refund Banker, Public Offer Bank(s), Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (xiii) Consent letter dated September 24, 2018 of the Statutory Auditor to include their names as experts in relation to their reports dated September 22, 2018 on the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements and the Statement of Tax Benefits dated September 25, 2018 included in this Draft Red Herring Prospectus.
- (xiv) Consent from CRISIL, dated September 25, 2018 in relation to the industry report titled "Passenger Transport Industry in India" released in August, 2018.
- (xv) Due Diligence Certificate dated September 27, 2018 addressed to SEBI from the BRLM.
- (xvi) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- (xvii) Tripartite agreement dated July 4, 2018 between our Company, NSDL and the Registrar to the Offer.
- (xviii) Tripartite agreement dated June 22, 2018 between our Company, CDSL and the Registrar to the Offer.
- (xix) Trademark license agreement dated September 18, 2018 between our Promoter, Pankaj Kumar Gandhi and our Company assigning the trademark of our corporate logo along with the goodwill.
- (xx) 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, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines 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 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 in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**Mohib Nomanbhai Khericha**  
(Chairman and Independent Director)

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**Pankaj Kumar Gandhi**  
(Managing Director)

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**Sanyam Gandhi**  
(Whole-time Director)

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**Alka Pankaj Gandhi**  
(Non-Executive Director)

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**Arupkumar Basu**  
(Independent Director)

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**Amit Bhatt**  
(Independent Director)

### SIGNED BY OUR CHIEF FINANCIAL OFFICER

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**Deen Bandhu Gaggar**  
(Chief Financial Officer)

**Date: September 27, 2018**

**Place: Ahmedabad**

## **DECLARATION**

I, the undersigned, acting as a Selling Shareholder hereby certify that all statements, disclosures and undertakings made by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and the Equity Shares which are being offered by me in the Offer for Sale pursuant to the Offer are true and correct.

**Signed**

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**Pankaj Kumar Gandhi**

Place: Ahmedabad  
Date: September 27, 2018

## **DECLARATION**

I, the undersigned, acting as a Selling Shareholder hereby certify that all statements, disclosures and undertakings made by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder and the Equity Shares which are being offered by me in the Offer for Sale pursuant to the Offer are true and correct.

**Signed**

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**Alka Pankaj Gandhi**

Place: Ahmedabad  
Date: September 27, 2018