

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated March 5, 2021 including any corrigendum/addendum/public notice issued thereto (the “RHP” or the “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP. Unless otherwise specified all capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF THE BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND SIX PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this Abridged Prospectus and the general information document for investing in public offer (“GID”) undertaken through the Book Building Process before applying in the Offer (as defined below). You may obtain a physical copy of the Bid cum Application Form and the RHP from the Stock Exchanges (as defined below), Members of the Syndicate, Registered Brokers, Collecting Depository Participants (“CDPs”), Registrar to the Offer, Registrar and Share Transfer Agents (“RTAs”), Banker to the Offer, Investors’ associations or Self Certified Syndicate Banks (“SCSBs”). You may also download the RHP from the websites of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in, the Stock Exchanges where the Equity Shares (as defined below) are proposed to be listed, i.e., BSE Limited (“BSE” or “Designated Stock Exchange”) and National Stock Exchange of India Limited (“NSE” and together with BSE, the “Stock Exchanges”) at www.bseindia.com and www.nseindia.com, respectively, and the Book Running Lead Managers (“BRLMs”) at www.axiscapital.co.in and www.iiflcap.com. Investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference.

Restrictions: This Abridged Prospectus may only be accessed by eligible investors outside of India that have read the Preliminary Offering Memorandum of the Company dated March 5, 2021, a copy of which is available to eligible investors from the BRLMs.



CRAFTSMAN AUTOMATION LIMITED

Our Company was incorporated as “Craftsman Automation Private Limited” on July 18, 1986, as a private limited company under the Companies Act 1956, pursuant to a certificate of incorporation granted by the Registrar of Companies, Chennai, Tamil Nadu. Pursuant to the conversion of our Company to a public limited company and as approved by the Shareholders pursuant to a resolution dated April 30, 2018, the name of our Company was changed to “Craftsman Automation Limited” and the Registrar of Companies, Coimbatore, Tamil Nadu (“RoC”) issued a fresh certificate of incorporation dated May 4, 2018. For further information on changes in name and registered office of our Company, see “History and Certain Corporate Matters” on page 194 of the RHP.

Corporate Identity Number: U28991TZ1986PLC001816

Registered and Corporate Office: Senthel Towers, IV Floor, 1078, Avanashi Road, Coimbatore 641 018, Tamil Nadu, India; **Tel:** (91 422) 716 5000

Contact Person: Shainshad Aduvanni, Company Secretary and Compliance Officer; **Tel:** (91 422) 716 5000

E-mail: investor@craftsmanautomation.com; **Website:** www.craftsmanautomation.com

OUR PROMOTER: SRINIVASAN RAVI

OFFER DETAILS, LISTING AND PROCEDURE

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE “EQUITY SHARES”) OF CRAFTSMAN AUTOMATION LIMITED (OUR “COMPANY” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “OFFER PRICE”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER”) COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,500.00 MILLION BY OUR COMPANY (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 4,521,450 EQUITY SHARES COMPRISING UP TO 130,640 EQUITY SHARES BY SRINIVASAN RAVI (THE “PROMOTER SELLING SHAREHOLDER”), UP TO 1,559,260 EQUITY SHARES BY MARINA III (SINGAPORE) PTE LIMITED (“MARINA”) AND UP TO 1,414,050 EQUITY SHARES BY INTERNATIONAL FINANCE CORPORATION (“IFC”) (MARINA, TOGETHER WITH IFC, THE “INVESTOR SELLING SHAREHOLDERS”), AND UP TO 1,417,500 EQUITY SHARES BY K. GOMATHESWARAN (THE “INDIVIDUAL SELLING SHAREHOLDER”) (THE PROMOTER SELLING SHAREHOLDER, THE INVESTOR SELLING SHAREHOLDERS AND THE INDIVIDUAL SELLING SHAREHOLDER, TOGETHER, THE “SELLING SHAREHOLDERS” AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE “OFFERED SHARES”) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER FOR SALE”).

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS AND HAS BEEN ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF MAKKAL KURAL (A WIDELY CIRCULATED TAMIL NEWSPAPER, TAMIL BEING THE REGIONAL LANGUAGE IN COIMBATORE WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 4, 2021 and January 5, 2021, respectively. For the purposes of this Offer, BSE is the Designated Stock Exchange.

Procedure:

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the GID from the BRLMs or download it from the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, and the websites of the BRLMs at www.axiscapital.co.in and www.iiflcap.com.

ELIGIBILITY FOR THE OFFER – REGULATION 6(1) OF SEBI ICDR REGULATIONS

The Offer is being made in terms of Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 (“SCRR”), read with Regulation 31 of the SEBI ICDR Regulations. Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers - **No. This Offer is being made through the Book Building Process and in compliance with Regulation 6 (1) of the SEBI ICDR Regulations.**

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

INDICATIVE TIMELINE

Bid/Offer Opening Date ⁽¹⁾	Monday, March 15, 2021	Initiation of refunds (if any for Anchor Investors) / unblocking of funds from ASBA Account	On or about Tuesday, March 23, 2021
Bid/Offer Closing Date	Wednesday, March 17, 2021	Credit of Equity Shares to demat accounts of Allottees	On or about Wednesday, March 24, 2021
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, March 22, 2021	Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, March 25, 2021

⁽¹⁾ Our Company and the Investor Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date i.e. Friday, March 12, 2021.

****** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

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 (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 22 of the RHP and “Internal Risk Factors” on page 7 of this Abridged Prospectus.

PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMs

S. No.	Issue Name	Name of Merchant Banker	+/- % 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.	Home First Finance Company India Limited	Axis	+4.98%, [+1.97%]	-	-
2.	UTI Asset Management Company Limited	Axis	-10.43%, [+5.87%]	-0.60%, [+20.25%]	-
3.	Mazagon Dock Shipbuilders Limited	Axis	+18.90%, [+5.87%]	+52.90%, [+20.25%]	-
4.	Route Mobile Limited	Axis	+105.81%, [+5.74%]	+231.04%, [+22.31%]	-
5.	Rossari Biotech Limited	Axis	+87.25%, [+1.39%]	+86.59%, [+6.08%]	+100.79%, [+27.34%]
6.	SBI Cards and Payment Services Limited [@]	Axis	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50%, [+24.65%]
7.	CSB Bank Limited	Axis, IIFL	+8.36%, [+1.98%]	-12.18%, [-7.56%]	-36.95%, [-20.45%]
8.	Sterling And Wilson Solar Limited	Axis, IIFL	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-64.78%, [+9.95%]
9.	Spandana Spohoorty Financial Limited	Axis, IIFL	-0.56%, [-2.14%]	+52.76%, [+7.61%]	+17.32%, [+9.59%]
10.	Antony Waste Handling Cell Limited	IIFL	-10.27%, [-2.74%]	N.A.	N.A.
11.	Mrs. Bectors Food Specialities Ltd ^{**}	IIFL	+37.69%, [+4.53%]	N.A.	N.A.
12.	Equitas Small Finance Bank Ltd	IIFL	+5.45%, [+12.34%]	+19.55%, [16.84%]	N.A.
13.	Ujjivan Small Finance Bank Limited [^]	IIFL	+41.08%, [+2.38%]	+10.27%, [-12.70%]	-16.62%, [-15.07%]

Note:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

[@] Offer Price was ₹ 680.00 per equity share to Eligible Employees.

[^] Ujjivan Small Finance Bank Limited - A discount of ₹ 2 per Equity Share was offered to Eligible Ujjivan Financial Services Limited Shareholders bidding in Ujjivan Financial Services Limited Shareholders Reservation Portion.

****** Mrs. Bector Food Specialities Ltd - A discount of ₹ 15 per Equity Shares was offered to the Eligible Employees of the Company bidding in the Employee Reservation Portion.

Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLM with common issues disclosed once.

For further details, please refer to price information of past issued handled by the BRLMs starting on page 338 of the RHP.

BOOK RUNNING LEAD MANAGERS

Axis Capital Limited Telephone: (91 22) 4325 2183 E-mail: cal.ipo@axiscap.in; Website: www.axiscapital.co.in	IIFL Securities Limited Telephone: (91 22) 4646 4600 Email: craftsman.ipo@iiflcap.com; Website: www.iiflcap.com
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IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Name of Syndicate Members	IIFL Securities Limited
Name of credit rating agency and rating grade obtained	Not Applicable
Name of debenture trustee	Not Applicable
Registrar to the Offer	Link Intime India Private Limited Email: craftsman.ipo@linkintime.co.in; Website: www.linkintime.co.in Tel: (91 22) 4918 6200; Investor Grievance E-mail: craftsman.ipo@linkintime.co.in
Name of Statutory Auditor	Sharp & Tannan, Chartered Accountants
Self Certified Syndicate Banks	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website.
Registered Brokers	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time.
Details regarding website address(es)/link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable	The list of the Registered Brokers is provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com respectively, or such other website as updated from time to time. The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , respectively, as updated from time to time. For further details, see section titled “Offer Procedure” on page 350 of the RHP.

PROMOTER OF OUR COMPANY

The promoter of our Company is Srinivasan Ravi. He is also the Chairman and Managing Director of the Company. He is a mechanical engineer and a first-generation entrepreneur with over 34 years of relevant industry experience, and strong relationships with several key industry players. He has received various awards, including “Outstanding Citizen of Coimbatore Award” by Rotary Club of Coimbatore in 2018, “Entrepreneur of the Year 2015 Award” by Entrepreneurs’ Organization, Coimbatore, “Outstanding Entrepreneur Achiever Award 2012” by Bharathiar School of Management and Entrepreneur Development, Bharathiar University, Coimbatore and “Best Entrepreneur Award” by Coimbatore Management Association in 2010. As on the date of the Red Herring Prospectus, our Promoter holds 10,630,640 Equity Shares aggregating to 52.83% of the issued, subscribed and paid-up Equity Share capital of our Company.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

We are a diversified engineering company with vertically integrated manufacturing capabilities, engaged in three business segments, namely powertrain and other products for the automotive segment (“**Automotive - Powertrain and Others**”), aluminium products for the automotive segment (“**Automotive – Aluminium Products**”), and industrial and engineering products segment (“**Industrial and Engineering**”). We are the largest player involved in the machining of cylinder blocks and cylinder heads in the intermediate, medium and heavy commercial vehicles segment as well as in the construction equipment industry in India. We are among the top three-four component players with respect to machining of cylinder block for the tractor segment in India. (*Source: CRISIL Report*). We are present across the entire value chain in the Automotive-Aluminium Products segment, providing diverse products and solutions. Our strong in-house engineering and design capabilities help us offer comprehensive solutions and products to our long standing domestic and international customers in each of the segments in which we operate.

Our competitive strengths: 1) Diversified engineering company with a focus on providing comprehensive solutions and manufacturing high quality, intricate and critical products, components and parts; 2) Strong in-house process and product design capabilities with the ability to interchange capacity and product mix; 3) Long term and well established relationships with marquee domestic and global OEMs; 4) Extensive manufacturing footprint, with strategically located manufacturing facilities; 5) Experienced management team supported by motivated and skilled work force; and 6) Robust financial performance in challenging business environment.

Our strategies: 1) Leverage vertically integrated manufacturing and engineering capabilities, to tap the growing opportunities for aluminium usage in the Automotive – Aluminium Products and Industrial and Engineering segments; 2) Increase our wallet share and acquire new business by leveraging existing OEM relationships and adding new customers; 3) Growing opportunities in storage solutions; and 4) Continue to reduce operating costs and improve operational efficiencies.

BOARD OF DIRECTORS

Sr. No	Name	Designation	Experience including current / past position held in other firms
1.	Srinivasan Ravi	Chairman and Managing Director	He holds a bachelor's degree in mechanical engineering from PSG College of Technology, Coimbatore. He is the Promoter of our Company. He has experience of more than 34 years in the automotive industry.
2.	Ravi Gauthamram	Whole-time Director	He holds a bachelor's degree in mechanical engineering from PSG College of Technology, Coimbatore and a master's degree in mechanical engineering from RWTH Aachen University, Germany. He is engaged in building the product strategy in the industrial and engineering segment of our Company.
3.	Udai Dhawan	Nominee Director	He holds a bachelor's degree in commerce (honours) from University of Delhi and is also a chartered accountant. He holds a master's degree in business administration from the Wharton School, University of Pennsylvania.
4.	Chandrashekhar Madhukar Bhide	Independent Director	He holds a bachelor's degree in technology in mechanical engineering from Indian Institute of Technology, Bombay and a post-graduate diploma in business administration from Indian Institute of Management, Ahmedabad.
5.	Sundaraman Kalyanaraman	Independent Director	He holds a bachelor's degree in mechanical engineering from University of Madras. He has completed senior executive course of the 3-tier programme for management development from Indian Institute of Management, Ahmedabad and BPL strategic leadership programme from Indian Institute of Management, Bengaluru.
6.	Vijaya Sampath	Independent Director	She holds a bachelors degree in law from University of Mysore. She is a fellow member of the Institute of Company Secretaries of India. She has attended the advanced management program of Harvard Business School, USA and a program on managing strategic alliances conducted by the Wharton School, University of Pennsylvania, USA.

For further details, please see the section entitled "Management" on page 203 of the RHP.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 1,500.00 million by our Company and an Offer for Sale of up to 4,521,450 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.

Details of means of finance: The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals. We expect that such alternate arrangements to be available to fund any such shortfalls. As the entire requirement of funds for the Objects of the Fresh Issue are proposed to be met from the Net Proceeds, we confirm that there is no requirement to make firm arrangements of finance towards at least 75% of the stated means of finance through verifiable means, excluding the amount to be raised through the Fresh Issue.

Proposed Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are to be deployed in accordance with the schedule set forth below:

(in ₹ million)

Sr. no.	Objects of the Offer	Amount to be financed from net proceeds	Estimated net proceeds utilisation (Fiscal 2022)
1.	Repayment/pre-payment, in full or part, of certain borrowings availed of by our Company; and	1,200.00	1,200.00
2.	General corporate purposes*	[●]	[●]
	Total	[●]	[●]

*To be finalized upon determination of Offer Price. The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues / rights issues, if any, of the Company in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Axis Bank Limited.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Shareholding Pattern of the Company as on the date of RHP

Particulars	Pre-Offer number of Equity Shares	Pre -Offer Percentage holding (%)
Promoter and Promoter Group	12,757,500	63.40
Public	7,364,100	36.60
Total	20,121,600	100.00

Number/Amount of Equity Shares proposed to be sold by the Selling Shareholders: Up to 4,521,450 Equity Shares.

RESTATED FINANCIAL INFORMATION

(In ₹ million, except earning per share (basis and diluted), return on net worth and net asset value per equity share)

Particulars	Period April 1 2020 to December 31 2020	Year ended		
		March 31 2020	March 31 2019	March 31 2018
Total Income	10,299.08	15,010.57	18,316.43	15,228.62
Profit before Tax	759.26	573.90	1,399.83	435.45
Profit after Tax	506.60	410.73	973.67	315.34
Equity share capital	100.61	100.61	100.61	100.61
Other equity	7,615.50	7,088.37	6,731.98	5,865.96
Net worth as per regulation 2(1)(hh) of SEBI ICDR Regulations*	7,161.88	6,634.75	6,278.36	5,412.34
Restated basic earnings per share (in ₹)	25.18	20.41	48.39	15.67
Restated diluted earnings per share (in ₹)	25.18	20.41	48.39	15.67
Return on Net Worth (%)	7.07%^	6.19%	15.51%	5.83%
Net Asset Value per Equity Share of face value ₹ 5 (in ₹)	355.93	329.73	312.02	268.98

* adjusted for reserve on revaluation on land

^ not annualized

Basic earnings per equity share, Diluted earnings per equity share and Return on Net Worth for the nine months ended December 31, 2020 are not annualized.

INTERNAL RISK FACTORS

Below mentioned risks are the top 10 risk factors as per the RHP. Please also refer to the section titled "Risk Factors" on page 22 of the RHP:

1. The extent to which the coronavirus disease (COVID-19) affects our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.
2. There has been a significant decline in automobile sales even prior to COVID-19 and we are not certain that the sales will recover even after the impact of COVID-19 is over.
3. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows.
4. Our Group Companies have incurred losses in the last three Fiscals.
5. The audit reports on our audited financial statements as at and for Fiscals 2020, 2019 and 2018, the nine months ended December 31, 2020, and the examination report on the Restated Financial Information contain certain emphases of matter and other remarks, which may affect our future financial results.
6. We operate in a competitive business environment. If we cannot respond adequately to the increased competition and consequent pricing pressures that we expect to face from existing players and new entrants, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.
7. The loss of any of our key customers or significant reduction in production and sales of, or demand for our production from our significant customers may adversely affect our business, results of operations and financial condition.
8. We do not have long term contracts or exclusive arrangements with any of our suppliers, and any major disruption to the timely and adequate supplies of our raw materials for any of our segments could adversely affect our business, results of operations and financial condition.
9. We have undertaken joint ventures and strategic investments in the past and may continue to undertake joint ventures, strategic investments, alliances as well as inorganic growth through strategic acquisitions, in the future, which may be difficult to integrate and manage. These may expose us to uncertainties and risks, any of which could adversely affect our business, financial conditions and result of operations.
10. A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our borrowings. Our lenders may enforce the security in the event of our failure to service our debt obligations which may affect our business, financial condition, and results of operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against our Company and amount involved: (₹ million)

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable
Civil (Material)	1	-
Criminal	-	-
Regulatory/ statutory action	2	7.62
Tax	24	193.28

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Other Material Developments" on page 325 of the RHP.

B. Brief details of top 5 material outstanding litigations against the Company and amount involved

Sr. no.	Particulars	Litigation filed by	Current Status	Amount involved (in ₹ million)*
1.	N. Sundaram (“ Petitioner ”) filed a suit against C. Padmavathy, M. Thulasiammal (“ Defendants ”) and another before the Court of District Munsif of Coimbatore, for, among others, (a) rectifying the particulars of a sale deed executed by the Petitioner and the Defendants in relation to sale of certain portion of land aggregating to 2.19 acres wrongfully transferred to the Defendants; and (b) restraining the Defendants from alienating the disputed land. The disputed land was purchased our Company from the Defendants before the aforesaid suit was initiated. The matter has been transferred from the Court of District Munsif of Coimbatore to the Court of District Munsif, Sulur. Subsequently, the Petitioner filed a petition to implead our Company as one of the defendants in the matter. The matter is currently pending.	N. Sundaram	Pending before Court of District Munsif, Sulur	-
2.	Our Company received a notice dated August 16, 2018 (“ Notice ”) from the Sub-Registrar, Class I, Talegaon Dhamdhere, Pune, alleging deficit in payment of stamp duty amounting to ₹ 5.62 million (including interest) under the provisions of the Maharashtra Stamp Act, 1958, in relation to the lease agreement dated July 12, 2018 entered into by our Company. On November 2, 2018, in relation to the Notice, the Joint District Registrar and Collector of Stamps, Pune, passed an adverse order against our Company. Subsequently, our Company filed an appeal before the Deputy Inspector General of Registration, Pune (“ Appeal ”) challenging the order dated November 2, 2018. The Appeal was rejected by the Deputy Inspector General of Registration and Deputy Controller of Stamps, Pune, vide its order dated November 6, 2019 (“ Order ”). Our Company has filed a writ petition dated December 18, 2019, before the Bombay High Court for quashing and setting aside of the Order. The matter is currently pending.	Sub-Registrar, Class I, Talegaon Dhamdhere, Pune	Pending before Bombay High Court	5.62
3.	The Joint Commissioner of Labour, Tiruchirapalli (“ Joint Commissioner ”), issued a notice dated March 11, 2020 to our Company in relation to an application filed against our Company by V. Veeramani, an employee of our Company, under the Employees’ Compensation Act, 1923, for a claim of compensation of ₹ 2.00 million from the Company and has initiated proceedings before the Joint Commissioner. The matter is currently pending.	Joint Commissioner of Labour, Tiruchirapalli	Pending before Joint Commissioner of Labour, Tiruchirapalli	2.00

* to the extent quantifiable

C. Regulatory action, if any - disciplinary action taken by SEBI or Stock Exchanges against the Promoter in the last 5 financial years including outstanding action: Nil

D. Outstanding tax proceedings against our Company

The details with respect to direct tax and indirect tax proceedings involving our Company are set out below:

S. No	Particulars	Number of cases	Aggregate amount involved (in ₹ million)*
1.	Direct tax	17	176.79
2.	Indirect tax	7	16.49
Total		24	193.28

* to the extent quantifiable

ANY OTHER IMPORTANT INFORMATION AS PER BRLMs / COMPANY : NIL

DECLARATION BY THE COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in the Red Herring Prospectus are true and correct.

DECLARATION BY SELLING SHAREHOLDERS

We hereby confirm that all statements and undertakings specifically made by us in the Red Herring Prospectus in relation to ourselves, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by or relating to the Company or any other person(s) in the Red Herring Prospectus.

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