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**RED HERRING PROSPECTUS**  
100% Book Built Issue  
Dated: September 19, 2024  
Please read Section 26 and 32 of the  
Companies Act, 2013



**FORGE AUTO INTERNATIONAL LIMITED**  
CIN: U25910PB2023PLC058272

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, India, 141001	-	Medhavi Sharma Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:sm@aint.in">sm@aint.in</a> <b>Tel No:</b> +91- 8999999195	<a href="http://www.failtd.com">www.failtd.com</a>

<b>Promoter of the Company</b>	Parmod Gupta and Rajan Mittal
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#### DETAILS OF THE ISSUE

Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Issue Size (in ₹ lakhs)	Eligibility
Fresh Issue	up to 28,80,000 Equity Shares aggregating up to ₹[●] lakhs	Nil	[●]	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

#### RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 73 should not be considered 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 nor 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 this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 24 of this Red Herring Prospectus.


#### ISSUER ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.


#### LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (“NSE Emerge”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>HEM SECURITIES LIMITED</b>	Sourabh Garg	<b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Tel. No.:</b> +91- 022- 49060000

#### REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>Bigshare Services Pvt. Ltd.</b> <b>Bigshare Services Private Limited</b>	Asif Sayyed	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Tel No.:</b> +91 -22 6263 8200

#### BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/ CLOSES ON*:	BID/ ISSUE OPENS ON:	BID/ ISSUE CLOSES ON**:
SEPTEMBER 25, 2024	SEPTEMBER 26, 2024	SEPTEMBER 30, 2024***

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

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

\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.



Our Company was originally formed as a Partnership Firm in the name and style of "M/s Auto International" under the provisions of the Indian Partnership Act, 1932 pursuant to partnership deed dated April 19, 2001. Later, pursuant to various amendments in the said partnership deed, as on April 01 2008, Rajan Mittal and Parmod Gupta were the partners of the firm. Consequently, our Firm was converted into a private limited company under Companies Act 2013 with the name 'Forge Auto International Private Limited' pursuant to a fresh certificate of incorporation dated April 25, 2023 was issued by the Registrar of Companies, Chandigarh, Punjab bearing CIN: U25910PB2023PTC058272. Subsequently, our Company was converted into a public limited company under Companies Act with the name 'Forge Auto International Limited' pursuant to a fresh certificate of incorporation dated June 1, 2024 was issued by the Registrar of Companies, Central Processing Centre, Manesar, Gurgaon, Haryana, 122050, bearing CIN: U25910PB2023PLC058272.

**Registered Office:** Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, India, 141001

**Tel No:** +91- 8999999195; **E-mail:** [sm@aint.in](mailto:sm@aint.in); **Website:** [www.fairtd.com](http://www.fairtd.com);

**Contact Person:** Medhavi Sharma, Company Secretary & Compliance Officer

**Promoter of our Company:** Parmod Gupta and Rajan Mittal

#### DETAILS OF THE ISSUE

**INITIAL PUBLIC OFFER OF UPTO 28,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF FORGE AUTO INTERNATIONAL LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,46,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 27,33,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.37% AND 25.03 % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ENGLISH EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND HINDI EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND PUNJABI/LUDHIANA EDITION OF PUNJABI JAGRAN, REGIONAL NEWSPAPER (PUNJABI BEING THE REGIONAL LANGUAGE OF LUDHIANA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE ") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of one Working Day, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. 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. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue 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 Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 215 of this Red Herring Prospectus.

#### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 215 of this Red Herring Prospectus.

#### RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 73 should not be considered 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 nor 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 this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Red Herring Prospectus.

#### ISSUER ABSOLUTE RESPONSIBILITY



The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

#### LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("NSE Emerge"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated September 13, 2024 from National Stock Exchange of India Limited ("NSE") for using its name in the Issue Document for listing of our shares on the SME Platform of NSE ("NSE Emerge"). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

#### REGISTRAR TO THE ISSUE

 <p><b>HEM SECURITIES LIMITED</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel. No.:</b> +91- 22- 49060000; <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Sourabh Garg <b>SEBI Regn. No.</b> INM000010981</p>	 <p><b>Bigshare Services Pvt. Ltd.</b> <b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India. <b>Telephone:</b> +91 22 6263 8200; <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>; <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>; <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>; <b>Contact Person:</b> Asif Sayyed <b>SEBI Registration Number:</b> MB/INR000001385 <b>CIN:</b> U99999MH1994PTC076534</p>
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#### BID/ISSUE PERIOD

<b>ANCHOR PORTION ISSUE OPENS/ CLOSES ON*:</b> <b>SEPTEMBER 25, 2024</b>	<b>BID/ ISSUE OPENS ON: SEPTEMBER 26, 2024</b>	<b>BID/ ISSUE CLOSES ON**:</b> <b>SEPTEMBER 30, 2024***</b>
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\*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

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

\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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**SECTION I – GENERAL**

**DEFINITIONS AND ABBREVIATIONS**

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 79, 131 and 243 respectively, shall have the meaning ascribed to such terms in such sections.*

**General Terms**

<b>Terms</b>	<b>Description</b>
“The Company”, “our Company”, “the Issuer”, “FAIL”, “we”, “us” and “our”	Forge Auto International Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, 141001, India.
“you”, “your” or “yours”	Prospective investors in this Issue.

**Company related terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended, from time to time
Audit Committee	The Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled "Our Management" beginning on page 115 of this Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being Jasminder Singh & Associates, Ludhiana.
Banker to our Company	HDFC Bank Ltd
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled "Our Management" beginning on page 115 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Gautam Kanchan
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Medhavi Sharma, M. No. A51398
CSR Committee or Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 of the Companies Act and as described in the chapter titled “Our Management” beginning on page 115 of this Red Herring Prospectus
Director(s) / Our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shareholders/Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive director(s) on our Board, as described in “Our Management” on page 115 of the Red Herring Prospectus.
Group Companies	Our group companies as disclosed in the section “Our Group Company” on page 191 of the Red Herring Prospectus.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined

	under the Listing Regulations. For details of our Independent Directors, see “Our Management” on page 115 of this Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0YKW01013.
Indian GAAP	Generally Accepted Accounting Principles in India
Managing Director	The Managing Director of our Company being Rajan Mittal
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled “Our Management” on page 115 of this Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board on for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
MOA / Memorandum /Memorandum of Association	Memorandum of Association of Forge Auto International Limited as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled "Our Management" beginning on page 115 of this Red Herring Prospectus.
Non-Executive Director	Non-executive director(s) of our Company, as described in “Our Management” on page 115 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “Our Promoters and Promoter Group” beginning on page 126 of this Red Herring Prospectus.
Promoter(s)	Shall mean promoters of our Company i.e. Rajan Mittal & Parmod Gupta. For further details, please refer to section titled Our Promoters & Promoter Group beginning on page 126 of this Red Herring Prospectus.
Registered Office of our Company	The Registered Office of our Company situated at Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, 141001, India.
Restated Financial Statement	The restated financial information of the Company comprising of the restated financial statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated financial statement of profit and loss and the restated financial statement of cash flows for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 and the summary of significant accounting policies and explanatory notes and notes to restated financial statement prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.
RoC / Registrar of Companies	Registrar of Companies, Chandigarh, Punjab.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/ Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Shareholders	Shareholders of our Company from time to time.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled "Our Management" beginning on page 115 of this Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited.
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign

	Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA being Rajan Mittal & Parmod Gupta

**Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue to successful Bidders
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least Rs. 200 lakhs.
Anchor Escrow Account /Escrow Account(s)	Account opened with Anchor Escrow Bank for the Issue and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Anchor Investor Allocation	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	One working day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.  The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Red Herring Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the Bid Amount extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor/ non-institutional investors linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor/ non-institutional investors

	Bidding through the UPI Mechanism.
ASBA Application Location(s)	Locations at which ASBA Applications can be uploaded by the SCSBs.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor
ASBA Form/Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Collectively, Escrow Collection Bank(s), Public Issue Account Bank(s), Sponsor Bank and Refund Bank(s), as the case may be in this case being Kotak Mahindra Bank Ltd
Banker to the Issue Agreement	Agreement dated September 12, 2024 entered into amongst the Company, Book Running Lead Manager, the Registrar to the Issue and the Sponsor Bank/Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page 215 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, 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 and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid cum Application Form	The form in terms of which the Bidder has made a Bid, including ASBA Form, and which has been considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and this Prospectus
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of Business Standard, an English national newspaper, all editions of Business Standard, a Hindi national newspaper and Ludhiana edition of Punjabi Jagran, Punjabi daily newspaper (Punjabi being the regional language of Ludhiana, where our Registered Office is located) each with wide circulation, and in case of any revision, the extended Bid / Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations
Bid / Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of Business Standard, an English national newspaper, all editions of Business Standard, a Hindi national newspaper and Ludhiana edition of Punjabi Jagran, Punjabi daily newspaper (Punjabi being the regional language of Ludhiana, where our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid / Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid / Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bid/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Bidder/Investor/Applicant	Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centres for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process / Book Building Method	The book building route as provided under Schedule XIII of the SEBI (ICDR) Regulations, 2018 in terms of which this Issue is being made.
BRLM / Book Running Lead Manager	The Book Running Lead Manager to the Issue, namely Hem Securities Limited.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the bidders can submit the ASBA Forms to a

	Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges at <a href="http://www.nseindia.com">www.nseindia.com</a> .
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Successful Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bid/Issue Period.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and the SEBI UPI Circulars, issued by SEBI, as per the list available on the websites of the Stock Exchanges, <a href="http://nseindia.com">nseindia.com</a> as updated from time to time.
Collecting Registrar and Share Transfer Agent	Registrar to the Issue 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 and of the SEBI UPI Circulars.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut – off Price. QIBs (including Anchor Investor) and Non – Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the bidders such as their Address, PAN, name of the Bidders father/husband, investor status, Occupation and Bank Account details.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being NSDL and CDSL.
Depository Participant/ DP	A Depository Participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Bidder can submit the Bid-Cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Issue Account or the Refund Account(s), as appropriate, and the relevant amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Issue Account and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus after finalization of basis of allotment with the Designated Stock Exchange.
Designated Intermediaries, Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE SME Platform. In our case, Hem Finlease Private Limited is the sole Market Marker.
Designated Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid-Cum-Application Form (other than ASBA Forms submitted by the UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism) from the Bidder and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>  Recognized- Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME platform of National Stock Exchange of India Limited (NSE Emerge)
DP ID	Depository Participant's identity number.
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated June 30, 2024 issued in accordance with Section 26 of the Companies Act, 2013



Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible FPI(s)	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as bankers to an Issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder/Applicant/Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	The Issue of up to 28,80,000 Equity Shares aggregating up to Rs. [●] lakhs by our Company for subscription pursuant to the terms of the Red Herring Prospectus.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GECL	Guaranteed Emergency Credit Line
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
Issue Agreement	The Issue Agreement dated June 24, 2024 between our Company and Book Running Lead Manager pursuant to which certain arrangements have been agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "Objects of the Issue" beginning on page 66 of this Red Herring Prospectus
Issue/Public Issue/Issue size/Initial Public Offer/Initial Public Offering/IPO	The Initial Public Offer of upto 28,80,000 Equity shares of Rs. 10/- each at Issue price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Making Agreement	Market Making Agreement dated September 9, 2024 between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The Reserved Portion of 1,46,400 Equity Shares of face value of Rs.10 each fully paid for cash at a price of Rs.[●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.

Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
MTL	Medium Term Loan
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB 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 Issue Price
NCLT	National Company Law Tribunal
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 27,33,600 Equity Shares of face value of Rs.10 each fully paid for cash at a price of Rs.[●] Equity Share aggregating to Rs.[●] Lakhs by our Company.
Net Proceeds	Proceeds received from the Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 66 of this Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non – Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Investors/Non-Institutional Bidders	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion/ Non-Institutional Category	The portion of the Issue being not less than 15% of the Issue, consisting of 4,10,400 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Overseas Corporate Body/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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.  OCSBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts and from the Escrow Accounts in case of Anchor Investor(s), on the Designated Date.
Public Issue Account Bank	The bank with whom the Public Issue Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being Kotak Mahindra Bank Limited.
QIB Portion / QIB Category	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue comprising 13,65,600* Equity Shares which shall be allocated to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Manager), subject to valid Bids being received at or above the Issue Price.  *Subject to finalization of Basis of Allotment
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.

Red Herring Prospectus / RHP	The Red Herring Prospectus dated September 19, 2024 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 Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being HDFC Bank Ltd.
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Stock brokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the SEBI UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated June 26, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Transfer Agents or RTAs	Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Retail Individual Bidders /RIBs / Retail Individual Investors / RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than Rs. 2,00,000/- in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of 9,57,600 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non – Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Self-Certified Syndicate Bank(s) / SCSB(s)	(i) The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> ) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.  (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>  Applications through UPI in the Issue can be made only through the SCSBs mobile applications whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public offers using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time
Specified Securities	Equity shares issued through this Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and / or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	Agreement dated September 9, 2024 amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bid cum Application Forms by the Syndicate Members.
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011.
Syndicate Members / Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finlease Private Limited.

Syndicate or members of the Syndicate	Collectively, the BRLM and the Syndicate Members, in this case being Hem Finlease Private Limited.
Systemically Important Non – Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1) (iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Bidder as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM and the Underwriter, who have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated September 9, 2024 entered between the Underwriter(s) and our Company.
UPI	Unified payments interface which is an instant payment mechanism, developed by the National Payment Corporation of India.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to Rs. 500,000 in the non-institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public offers where the application amount is up to Rs. 500,000 shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an Issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
UPI ID	ID created on UPI for single window mobile payment system developed by the National Payment Corporation of India.
UPI Mandate Request/ Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Issue in accordance with the UPI Circulars to make as ABA bid in the Issue.
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of–  (a) announcement of Price Band; and (b) Bid/ Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) In respect to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange,

excluding Sundays and bank holidays, as per circulars issued by SEBI.

**Business, Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
BEV	Battery Electric Vehicle
CAD	Computer-aided Design
CAGR	Compounded annual growth rate
CAM	Computer Aided Manufacturing
CNC	Computer Numerical Control
CNG	Compressed Natural Gas
EBITDA	Earnings before interest tax and depreciation
ECV	Electrically Chargeable
EV	Electric Vehicle
GHG	Green House Gas
HCV	Heavy commercial vehicles
HEV	Hybrid Electric Vehicle
HMI	Human-Machine Interface
H2-ICE	Hydrogen Internal Combustion Engine
HS	Heartstone forge
IATF	International Automotive Task Force
ICE	Internal Combustion Engine
ISO	International Organization for Standardization
LCV	Light Commercial Vehicle
LHB	Linke-Hofmann-Busch
LNG	Liquified Natural Gas
MPI	Magnetic Particle Inspection
MT	Metric tonnes
OEMs	Original Equipment Manufacturers
OHV	Off-Highway Vehicle
OHSAS	Ohio High School Athletic Association
PSPCL	Punjab State Power Corporation Limited
PV	Passenger Vehicle
RFQ	Request for Quote
VMC	Vertical Machining Centers
2W	Two-wheeler

**Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs. / Rupees/ INR / Rs.	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx.	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion

BG/LC	Bank Guarantee / Letter of Credit
BRLM	Book Running Lead Manager
NSE	National Stock Exchange of India Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
Consolidated FDI Policy	The extant consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
CA	Chartered Accountant
CAIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
Cr.P.C.	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant/Institute of Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPPT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Govt.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Instalment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
Fis	Financial Institutions
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder

FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
FV	Face Value
Gol/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IT Act	Information Technology Act, 2000
IFRS	International Financial Reporting Standards
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value

NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
Rs. or Rs.	Rupees, the official currency of the Republic of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SBO Rules	Significant Beneficial Owners, Rules, 2018
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI LODR/SEBI (Listing Obligations and Disclosure Requirement) Regulations/Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015, as amended from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.



Code	
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (Rs.)	Represent Outflow

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

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

**Certain Conventions**

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

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

**Use of Financial Data**

Unless the context requires otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Financial Statements. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and law on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Indian GAAP and other accounting principles, see “*Risk Factors*” on page 24 of this Red Herring Prospectus.

Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 243 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PAT Margin, and others, have been included in this Red Herring Prospectus. We compute and disclose such non-GAAP measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non- GAAP measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by the accounting standards and may not be comparable to similarly titled measures presented by other companies.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “**Basis for Issue Price**” on page 73 of the 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, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “**Industry Overview**” throughout the Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” on page 24, 92 and 175 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying 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. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in focus toward the forging industries and Government Policies on forging industry and automobile industry;
3. Any change in government policies resulting in increase in taxes payable by us;
4. Our ability to retain our key managements persons and other employees;
5. Changes in laws and regulations that apply to the forging industry in which we operate.
6. Our failure to keep pace with rapid changes in technology;
7. Our ability to grow our business;
8. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
9. General economic, political and other risks that are out of our control;
10. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Company’s ability to successfully implement its growth strategy and expansion plans;
12. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
13. Inability to successfully obtain registrations in a timely manner or at all;
14. Occurrence of Environmental Problems & Uninsured Losses;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse legal proceedings initiated against our company or its promoters, directors and KMP’s;
17. Concentration of ownership among our Promoters; and
18. The performance of the financial markets in India and globally.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 24, 92 and 175 respectively of the 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 future gains or losses could materially differ from those that have been estimated.

There can be no assurance to 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 to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

**SECTION II – SUMMARY OF RED HERRING PROSPECTUS****A. OVERVIEW OF BUSINESS**

Our Company is an engineering company engaged into forging and manufacturing of complex and safety critical, forged and precision machined components such as big ring, small ring, big ball stud, gear blank with broach, stub axle assembly, flange yoke 325 HS, catering to different industry sectors like auto industry including automobiles, tractors, railways etc. and non-auto sectors like agriculture parts, hydraulic parts, striking tools etc. We primarily serve our customers comprising of domestic and global original equipment manufacturers (“OEMs”) engaged into manufacturing for both automotive sector and other non-automotive sector, used across industries by a diversified base of customers.

For further details please refer to the chapter titled “**Our Business**” beginning on page 92 of this Red Herring Prospectus.

**B. OVERVIEW OF THE INDUSTRY**

The automobile component industry turnover stood at Rs. 5.6 lakh crore (US\$ 69.7 billion) between 2022-23 the industry had revenue growth of 32.8% as compared to 2021-22. Domestic OEM supplies contributed ~66% to the industry’s turnover, followed by domestic aftermarket (~12%) and exports (~22.3%), in FY23. The component sales to OEMs in the domestic market grew by 39.5% to US\$ 57.62 billion (Rs. 4.76 lakh crore). Between 2022-23, exports of auto components grew by 5.2% to Rs. 1.61 lakh crore (US\$ 19.49 billion). As per the Automobile Component Manufacturers Association (ACMA) forecast, automobile component exports from India are expected to reach US\$ 30 billion by 2026. In FY22, India’s auto component Industry for the first time reached a trade surplus of US\$ 700 million.

For further details please refer to the chapter titled “**Industry Overview**” beginning on page 82 of this Red Herring Prospectus.

**C. PROMOTERS**

Parmod Gupta and Rajan Mittal are the Promoters of our Company.

**D. DETAILS OF THE ISSUE**

Initial public offer consisting of 28,80,000 Equity shares of face value of ₹10.00 each (“equity shares”) by the “Company” or the “Issuer” for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share (the “Issue Price”) aggregating to ₹ [●] Lakh (“The Issue”), of which 1,46,400 equity shares of face value of ₹ 10.00 each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakh will be reserved for subscription by Market Maker to the Issue (the “Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion I.e. Net Issue of 27,33,600 equity shares of face value of ₹10.00 each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakh is herein after referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.37 % and 25.03 % respectively of the post Issue paid up equity share capital of the company.

**E. OBJECTS OF THE ISSUE**

Our Company intends to utilize the net Proceeds of the IPO to meet the following objects: -

Sr. No.	Particulars	Amount (₹ in lakhs)
1.	To meet Working Capital requirements	1900.00
2.	Repayment of certain borrowing availed by our Company, in part or full	500.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

**F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP**

Our Promoters and Promoter Group collectively holds 80,40,000 Equity shares of our Company aggregating to 100% of the pre-Issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus: -

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Parmod Gupta	36,92,000	45.92	36,92,000	33.81%
2.	Rajan Mittal	33,62,000	41.82	33,62,000	30.79%
	<b>TOTAL (A)</b>	<b>70,54,000</b>	<b>87.74</b>	<b>70,54,000</b>	<b>64.60%</b>

	Promoter Group				
3.	Rajan Mittal and Sons HUF	8,64,000	10.75	8,64,000	7.91%
4.	Parmod Kumar Gupta and Sons HUF	1,10,000	1.37	1,10,000	1.01%
5.	Shivangi Mittal	2,000	0.02	2,000	0.02%
6.	Ambica Gupta	2,000	0.02	2,000	0.02%
7.	Shikha Gupta	2,000	0.02	2,000	0.02%
8.	Nidhi Gupta	2,000	0.02	2,000	0.02%
9.	Jyoti Gupta	2,000	0.02	2,000	0.02%
10.	Rekha Mittal	2,000	0.02	2,000	0.02%
	<b>TOTAL (B)</b>	<b>9,86,000</b>	<b>12.26</b>	<b>9,86,000</b>	<b>9.03%</b>
	<b>Total (A+B)</b>	<b>80,40,000</b>	<b>100.00</b>	<b>80,40,000</b>	<b>73.63%</b>

## G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital/ Partner's Capital Account	804.00	1,660.36	1,367.73
Net Worth	2,020.88	1,660.36	1,367.73
Total Income	18,157.30	17,764.43	13,400.28
Profit after tax	668.88	496.29	264.34
Earnings per Share (based on weighted average number of shares)	10.21	7.58	4.04
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	25.88	20.65	17.01
Net Asset Value per Share (based on weighted average number of shares)	31.77	25.35	20.88
Total Borrowings	4046.00	3182.69	2620.16

## H. AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the restated financial information.

## I. SUMMARY OF OUTSTANDING LITIGATIONS

These are no pending litigations involving our Company, Promoters and Directors. For further details, please see "Outstanding Litigation and Material Developments" on page 184.

## J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled "Risk Factors" beginning on page 24 of this Red Herring Prospectus.

## K. SUMMARY OF CONTINGENT LIABILITIES

Our Company have contingent liabilities of Rs. 2953.10 Lakhs as on March 31, 2024.

(Amt in Rs. Lakhs)

Particulars	As At 31st March 2024	As at 31st March 2023	As at 31st March 2022
<b>(a)Contingent liabilities in respect of:</b>			
Claims against the company not acknowledged as debts	-	-	-
Guarantees given on Behalf of the Company	53.10	47.73	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-
Guarantees given by the Company	2,900.00		
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-

Income Tax Outstanding Demand	-	-	-
Service Tax Demand	-	-	-
<b>(b) Commitments</b>	-	-	-
	<b>2,953.10</b>	<b>47.73</b>	-
Company has provided the Corporate Guarantee to HDFC Bank on the behalf of Forge Mach Auto Pvt. Ltd. (Group Company) for Rs. 2900.00 Lakhs			

For further details, please refer to Note 31 Contingent Liabilities of the chapter titled “*Financial Information of the Company*” on page 161 of this Red Herring Prospectus.

## L. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022:-

### List of Related Parties as per AS – 18

	<b>Names of related parties</b>	<b>Nature of Relationship</b>
Directors and Key Management Personnel (KMP)	Rajan Mittal	Director
	Parmod Gupta	Director
	Gautam Kanchan	Chief Financial Officer
	Medhavi Sharma	Company Secretary
Relatives of Directors	Rajan Mittal and Sons (HUF)	HUF of Director
	Parmod Gupta and Sons (HUF)	HUF of Director
	Siddharth Mittal	Son of Director
	Harshal Mittal	Son of Director
	Sunil Kumar Mittal	Father of Director
	Rohit Gupta	Son of Director
	Rekha Mittal	Wife of Director
	Shikha Gupta	Daughter In-Law of Director
	Nidhi Gupta	Daughter In-Law of Director
	Ambika Gupta	Daughter In-Law of Director
Related Company/Firm	Kamika International	Partnership firm of Director's Son
	Forge Mach Auto Pvt Ltd.	Director's Sons are Directors

### (i) Transactions with Current Capital Account

#### 1. Rajan Mittal

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening Current	<b>551.18</b>	<b>503.62</b>	<b>418.25</b>
Opening Capital (Fixed)	<b>100.00</b>	-	-
Remuneration	1.60	24.00	24.00
Capital Introduced	0.19		2.29
Withdrawal	(113.51)	(315.63)	(104.99)
Share of Profit	9.01	290.81	118.86
Interest paid	2.53	48.38	45.21
Transferred to Equity Share Capital	(100.00)		
Transferred to Loan Account	(450.99)		
<b>Closing balance (Dr)/Cr.as on 31.03.2024</b>	<b>0.00</b>	<b>551.18</b>	<b>503.62</b>

**Remuneration paid after converting into company**

**56.00**

#### 2. Parmod Gupta

<b>Parmod Gupta</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening Current	<b>610.28</b>	<b>554.07</b>	<b>454.88</b>
Opening Capital (Fixed)	100.00	-	-
Remuneration	1.60	24.00	24.00
Capital Introduced	-	-	-
Withdrawal	(112.70)	(313.03)	(93.44)
Share of Profit	9.01	290.81	118.86

Interest paid	2.80	54.44	49.77
Transferred to Equity Share Capital	(100.00)		
Transferred to Loan Account	(510.99)		
<b>Closing balance (Dr)/Cr.as on 31.03.2024</b>	<b>0.00</b>	<b>610.28</b>	<b>554.07</b>
<b>Remuneration paid after converting into company</b>	<b>56.00</b>		

(ii) Transactions with Directors & KMP

1. Rajan Mittal

	31-Mar-24
Dividend Paid	-
<b>Loan Transactions</b>	
Opening balance of Loan taken by the Company	450.99
Loan Taken by the Company	13.59
Loan Repaid by the Company	(79.04)
Interest on Loan paid	26.35
Loan Converted into equity	(410.40)
<b>Closing Balance (cr)</b>	<b>1.49</b>

2. Parmod Gupta

	31-Mar-24
Dividend Paid	-
<b>Loan Transactions</b>	
Opening balance of Loan taken by the Company	510.99
Loan Taken by the Company	28.91
Loan Repaid by the Company	(48.75)
Interest on Loan paid	30.92
Loan Converted into equity	(510.60)
<b>Closing Balance (cr)</b>	<b>11.47</b>

3. Gautam Kanchan

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	5.70	-	-

4. Medhavi Sharma

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	0.15	-	-

(iii) Transaction with Relatives of Directors and Enterprises in which Directors/Relatives of Directors can exercise significant influence

1. Rajan Mittal and Sons (HUF)

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance of Loan taken by the Company	245.60	221.66	200.52
Loan Taken by the Company	-	-	-
Loan Repaid by the Company	-4.14	-2.66	-2.90
Interest on Loan paid	17.14	26.60	24.04
Loan Converted into equity	-258.60		
<b>Closing Balance (cr)</b>	<b>-</b>	<b>245.60</b>	<b>221.66</b>

2. Parmod Gupta and Sons (HUF)

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance of Loan taken by the Company	33.21	33.66	33.85
Loan Taken by the Company	6.00	-	-
Loan Repaid by the Company	(8.86)	(4.24)	(3.98)
Interest on Loan paid	2.06	3.78	3.79
Loan Converted into equity	(32.40)		
<b>Closing Balance (cr)</b>	<b>-</b>	<b>33.21</b>	<b>33.66</b>

3. Siddharth Mittal

	31-Mar-24	31-Mar-23	31-Mar-22
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Opening balance of Loan taken by the Company	1.50	37.48	25.67
Loan Taken by the Company	-	5.23	21.72
Loan Repaid by the Company	(0.01)	(42.44)	(13.40)
Interest on Loan paid	0.14	1.22	3.49
<b>Closing Balance (cr)</b>	<b>1.63</b>	<b>1.50</b>	<b>37.48</b>

<b>Salary paid during the years</b>	12.00	18.00	15.00
<b>Commission paid</b>	5.75	0.00	0.00

**4. Harshal Mittal**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance of Loan taken by the Company	5.90	6.26	5.65
Loan Taken by the Company	-	0.38	-
Loan Repaid by the Company	(0.06)	(1.45)	(0.07)
Interest on Loan paid	0.56	0.71	0.68
<b>Closing Balance (cr)</b>	<b>6.40</b>	<b>5.90</b>	<b>6.26</b>

**5. Sunil Kumar Mittal**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance of Loan taken by the Company	60.00	60.00	60.00
Loan Taken by the Company	-	-	-
Loan Repaid by the Company	(60.00)	(7.20)	(7.20)
Interest on Loan paid	-	7.20	7.20
<b>Closing Balance (cr)</b>	<b>-</b>	<b>60.00</b>	<b>60.00</b>

**6. Rohit Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	12.00	-	-
Commission paid	5.84	-	-

**7. Rekha Mittal**

<b>Rekha Mittal</b>	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	12.00	4.00	-

**8. Shikha Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.40	-

**9. Nidhi Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.40	-

**10. Ambika Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.70	-

**(iv) Transaction with Related firm**

**1. Kamika International**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance	6.20	-	(3.54)
Revenue from Operation (Sale of goods)	158.09	8.52	0.59
Revenue from Operation (Job work)	(6.19)	(18.23)	(20.84)
Receipt - for sale of goods	(161.33)	-	(0.12)
Payment for Job work	1.42	15.90	23.91
<b>Closing Balance (Receivable/(Payable))</b>	<b>(1.82)</b>	<b>6.20</b>	<b>-</b>

**2. Forge Mach Auto Pvt Ltd.**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance	0	-	-
Loan given by the Company	936.65	-	-

Loan repaid by FMAPL	-583.00	-	-
Sale/Rent Income	2.46	0.56	-
<b>Closing Balance (Receivable/(Payable))</b>	<b>356.11</b>	<b>-</b>	<b>-</b>

*Note: The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.*

For further details, please refer to the Note 33 – Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 164 of this Red Herring Prospectus.

#### M. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the Promoter Group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

#### N. WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR

Weighted average price at which the Equity Shares were acquired by our Promoters in last one year preceding the date of this Red Herring Prospectus:

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)*
1.	Rajan Mittal	23,62,000	17.38
2.	Parmod Gupta	26,92,000	18.97

#### O. AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTERS

The average cost of acquisition of Equity Shares by our Promoters are set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)*
1.	Rajan Mittal	33,62,000	15.18
2.	Parmod Gupta	36,92,000	16.54

#### P. PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Red Herring Prospectus till the listing of the Equity Shares.

#### Q. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued any Equity Shares for consideration other than cash since its incorporation.

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment
April 25, 2023	20,00,000	10/-	10/-	Pursuant to conversion of partnership firm to Company
December 26, 2023	20,20,000	10/-	60/-	Conversion of loan into equity
March 30, 2024	40,20,000	10	Nil	Bonus allotment

#### R. SPLIT/ CONSOLIDATION OF EQUITY SHARES

Our company has not done any split/consolidation/subdivision of equity shares of the Company since incorporation.

#### S. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 131, 92 and 175 respectively of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

#### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 24 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 175 of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.

#### **INTERNAL RISK FACTORS**

1. **We depend on a limited number of customers for our revenue from operations, the loss of any of these customers individually or severally could have a material adverse effect on our business, operations and could have impacted our financial strength.**

We derive a significant portion of our revenue from our top 10 customers. As of March 31, 2024, our top 10 customers contribute 85.16% of revenue from operations. Further, the share of our top 10 customers for the Fiscal year 2023, and 2022 was approximately 85.91% and 89.65%. The loss of all or a substantial portion of sales to any of our top 10 customers, in particular for any reason (including, due to loss of contracts or failure to negotiate acceptable terms, loss of market share of these customers, disputes with these customers, adverse change in the financial condition of these customers, decline in their sales, plant shutdowns, labour strikes or other work stoppages affecting production of these customers), could have an adverse impact on our business, operations and could have impacted our financial strength.

Further, the volume and timing of sales to our top 10 customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. Thus, any decrease in the demand for our products from these customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. These customers may also change their material sourcing strategy by replacing us with our competitors, or replace their existing products with alternative products which we do not supply. Also, these customers may demand price reductions and there is no assurance that we will be able to offset any reduction of prices to these customers with reductions in our costs or by acquiring new customers.

- 2. We do not have agreements/commitment on part of our customers to purchase or place orders with us, also we do not have any price agreement with our customers. If our customers select some other vendors/competitors for their requirement, it may have adverse effect on our business.**

As per our business strategy, we are required to submit a technical proposal that includes product features, performance specifications, compliance with legal and regulatory requirements, proposed development timeline etc. Once these are approved we may also be required to develop and supply concept prototypes for the customer based on initial design plans. Once our prototype is confirmed to have met the customer's specifications and clears the testing phase, we receive firm orders from the customers. Pursuant to the purchase order, our customers provide us the quantities of units to be supplied along with the delivery schedules specifying the details of delivery. In many cases, these purchase orders set forth the terms of sales but do not bind these customers to any specific products, specifications, purchase volumes or duration and can be terminated by these customers with or without cause and without compensation. Under the purchase orders, there is no commitment on the part of the customer to purchase the quantities specified in the volume purchase orders or to place new orders with us and as a result, our sales from period to period may fluctuate as a result of changes in our customers' supplier preference. Further, since our arrangement with our customers is not exclusive, it entitles the customers to replace us with another supplier. Any reduction in the quantities ordered or shifting of our customers towards our competitors may have an adverse effect on our business operations and financial position.

- 3. We depend on a few suppliers for the supply of steel, our primary raw material. Further, we do not have definitive supply agreements with our suppliers for the supply of steel. If our suppliers fail to fulfil our requirement, it may have adverse effect on our business. Further any upward price revision of the raw material may have negative impact on the Company.**

We are engaged in manufacturing forging and machining components which requires steel as our primary raw material. Further, we are required to undertake the manufacturing activities in strict compliance with the regulatory standards and specifications of the customers. High quality steel required for manufacturing of the forging and machining components as per our requirements is supplied by selected suppliers in the Indian market that force us to rely on a few suppliers to supply steel for our operations. Further, the share of our top 10 suppliers for the Fiscal year 2024, 2023 and 2022 was approximately 78.95%, 91.19%, and 94.14%. We do not enter into definite-term agreements with our suppliers (who typically supply us through purchase orders) and they may not perform their obligations in a timely manner or at all, resulting in delays to our production schedule and adversely affecting our output. We cannot assure that no such instance will not arise in the future where delay in supply of steel would not have an adverse impact on our results of operations, cash flows, financial condition or business. Also, we are exposed to risk of upward fluctuations in the prices of our raw materials and their availability. Since, we have not entered into any supply agreements with our suppliers and all raw materials are bought by our Company from various suppliers on order-to-order basis, any upward fluctuation in the prices of the major raw material or shortage in supply of our major raw material would result in increase of cost of production which may adversely impact the business and profitability of the Company. In case we are not able to pass on any such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our ability to procure an uninterrupted supply of steel, which in turn may affect our profit margins and financial performance. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards. In case we replace the suppliers, they may not perform their obligations in a timely manner or at all, resulting in delays to our production schedule and adversely affecting our output or may demand early payments which may affect our working capital cycle and financial position.

- 4. We have taken loans and any inability to comply with repayment and other covenants can adversely affect our business, reputation and financial condition.**

We have entered into financing arrangements with our lenders for short-term and long terms facilities for purposes including funding our working capital requirements and purchasing capital goods. As of March 31, 2024, our total outstanding borrowings from bank and financial institutions amounted to ₹ 4046.00 lakhs. Our ability to pay interest and repay the principal for our loans is dependent upon our ability to generate sufficient cash flows to service such debt. Failure to meet conditions related to the loan could have significant consequences on our business and operations. Further, these loans creates a sense of financial burden on the working of the business, financial health and future borrowing capacity of the company. Additionally, under our loan agreements, we are required to comply with certain covenants, if there is a default under such loan agreements, our company may be required

to prepay the amount due or may be penalized by the lenders. In case of any default under the loan agreements the lenders may refuse to renew the financial arrangements, which may require us to find alternate source of funds which may not be available or if available may be on strict terms, which may have an adverse effect on our business operations and financial conditions.

**5. Our business is dependent on the performance of certain other industries which we are serving particularly automobile, tractors, railways, farm equipment etc. Any adverse changes in the conditions affecting these industries can adversely impact our business and financial condition.**

We indirectly serve different customers in different industries including but not limited to particularly automobile, tractors, railways, farm equipment, any adverse impact in the industry may affect the demand for our products in those specific industry and effect our revenue from operations. Below is a break-up of our revenue from operations from different industry segments we cater to –

(Amt in Rs. Lakhs)

Customers	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Customers	% of Revenue	Revenue from Customers	% of Revenue	Revenue from Customers	% of Revenue
Commercial Vehicles	10,445.05	57.99%	8,884.82	50.30%	4,546.03	34.21%
Farm Equipments	922.98	5.12%	1,445.44	8.18%	1,457.63	10.97%
Industrial	1,604.63	8.91%	1,590.54	9.00%	1,309.26	9.85%
off Highway Vehicles	5,039.07	27.98%	5,744.05	32.52%	5,974.94	44.97%

Further, production and sales of the vehicles for which we supply products are affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts favoring other types of vehicles, fuel prices, vehicle electrification, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in these industries' supply chain, vehicle age, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions. Any such unforeseen event or any negative impact in the industries we are catering could have adverse impact on our business and financial strength.

**6. Our production process requires uninterrupted power and fuel supply and any disruption/shortage of power or fuel sources could affect our product quality or increase our production costs and adversely affect our business, and operations.**

We require substantial power and fuel for our manufacturing facilities. The following tables set forth below our power and fuel expenses (net) in the years/ periods indicated:

Nature of Exp	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Electricity Exp	662.23	3.68%	568.84	3.22%	526.31	3.96%
Fuel Exp	1039.72	5.77%	1121.92	6.35%	801.03	6.03%

We will continue to purchase electricity for our operations from the state electricity board of Punjab. In case the cost of electricity from state electricity boards is revised upward significantly and we are not able to pass on such increase to our customers, our cost of production and profitability will be adversely affected. Any disruption / non-availability of power or fuel or failure on our part to arrange alternate sources of electricity, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company

**7. We have substantial working capital requirements and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.**

Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. As part of our business process, significant amounts of working capital are required to finance the purchase or manufacturing of materials, providing credit to the customers before payment is received from clients and maintaining stock of inventory. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of orders received. Our capital expenditure requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future financings, debt or equity, on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence and laws that are conducive to our raising capital in this manner.

**8. *Our company has been recently formed by conversion of the erstwhile Partnership firm into the company, thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated as a limited Company under the Companies Act, 2013 with Registrar of Companies, Chandigarh dated April 25, 2023. The company has been incorporated by conversion of the erstwhile Partnership firm; thus, we have limited operating history as a company from which one can evaluate our business, future prospects and viability. Our future business operation and financial position may not be comparable with that of the partnership firm and difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may remain volatile. Although, our overall presence in the forging and machining business is of over a decade, as the partnership firm has been converted into the public limited company on a going concern basis but, there can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits post conversion of the partnership firm to company. Any inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. For further details, see the chapter titled “History and Corporate Structure” and “Restated Financial Statements” on page 112 and 131 respectively of the Red Herring Prospectus.

**9. *Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company’s business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the, fiscal year 2023-24, 2022-23, and FY 2021-22 our inventories were ₹ 3554.02 lakhs, ₹ 2119.26 lakhs and ₹ 1079.33 lakhs. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. Moreover, since most of our sales are based on orders received from customers as per their requirements, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and/ or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the fiscal year 2023-24, 2022-23 and FY 2021-22 our trade receivable were ₹ 2380.58 lakhs, ₹ 3190.20 lakhs and ₹ 2082.65 lakhs. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

**10. *Failure to obtain or maintain pre-qualifications from customers or loss of our pre-qualified status from our existing customers could adversely impact our business.***

Majority of our customers require forging manufacturers to undergo certain pre-qualification processes. These processes evaluate both the technical ability to provide relevant products with the exact specifications needed by the end-user, and the production capabilities of the supplier. These processes may generally take time to complete and involves incurring significant upfront expenses in learning and meeting customer qualification requirements. Further, we may also be required to provide our customer with the prototype of the product with the exact specifications as per their requirements, which undergo extensive testing and approvals from the customer before any purchase orders being placed. We continuously strive to retain our prequalification status as approved suppliers, with the existing customers. Our failure to obtain pre-qualifications from newer customers or loss of our prequalified status from our existing customers could have an adverse impact on our profits, results of operations and cash flows. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which may have an adverse impact on our results of operations, cash flows, financial condition or business.

**11. *If we fail to compete effectively with our competitors it may impact adversely our business, financial positions and result of operations.***

Our company is engaged into the business of forging and machining of components which are used in automobile and certain other industries, which is highly competitive. The industry is highly fragmented as there is competition from various domestic and international players. We face competition from both organized and unorganized players in the industry. The competition in the industry is based on factors such as design, range of products, quality, technology, delivery time, price and engineering capabilities. In such highly competitive environment, to gain more market share our competitors may reduce prices which is a challenge for the existing players. Intensified competition may result in pricing pressures and reduced profitability and may impede our ability to achieve sustainable growth in our revenues or cause us to lose market share. Some of our competitors may

have certain advantages, like greater financial, technical and/ or marketing resources, which can enhance their ability to finance acquisitions, fund international growth, more quickly response to technological changes and/ or operate in more diversified geographies and product portfolios. Further, if our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services and solutions similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and customer needs, our competitors may be more successful at selling their products and solutions. Any of these events could substantially harm our results of operations. We cannot assure you that we will be able to compete with them successfully, which could have a material adverse effect on our business operations and financial conditions.

***12. We are subject to strict design, quality and delivery requirements and any failure to comply with these design, quality and delivery standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We develop and manufacture complex and specialized components which caters to various sectors based on specific requirements stipulated by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality, design standards and delivery schedules. Adherence to design & quality standards is a critical factor as any defect in products manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products. Component failures, manufacturing non-conformance, efficacy concerns or design defects with respect to our products, if they were to occur, could result in directly or indirectly, personal injuries or other adverse effects. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which may have an adverse impact on our results of operations, cash flows, financial condition or business. This may lead to cancellation of supply orders and at certain instances may impose additional costs in the form of product liability and/or product recall. Though, our manufacturing facility have been certified with ISO 9001:2015 for quality management systems, EMS 14001:2015 for environmental management systems, ISO 45001:2018 for occupational health and safety management systems, IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry & ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect. Further, we maintain strict quality control at different levels of operations but any negative publicity regarding our Company or our products could adversely affect our reputation, our operations and our results from operations

***13. We derive certain portion of our revenues from exports and are subject to risk of international trade.***

We have historically derived certain portion of our revenues from operations from export to countries like: France, Germany, Poland, Brazil, Austria, Turkey and United States of America. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022 our revenues from our exports amounted to ₹ 1035.92 lakhs, ₹ 850.07 lakhs and ₹ 431.19 lakhs respectively, which constituted 5.75%, 4.81%, and 3.24% respectively, of our total revenues from operations. Therefore, any developments in the global market or the industries in which our customers operate or specifically in the geographies where we operate could have an impact on our sales from exports. If any severity persists or war like situations occurs between countries across the globe in future our revenue from export may be affected. Further, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we export, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition. In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures including as a result of anti-dumping measures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations could adversely affect our business, prospects, results of operations and financial position.

***14. Our business relies heavily on our manufacturing facility, and this dependence will continue. Our manufacturing process involves certain risks. Any slowdown or shutdown in operations, including strikes, work stoppages, or increased wage demands by employees, could disrupt our operations. Such disruptions could negatively impact our business, financial condition, and operational results.***

We operate through our only manufacturing facility located which is located near Indian Oil Jabir Petrol Pump, Kohara-Machhiwara Road, Mangarh in Ludhiana, Punjab. Our manufacturing facility is dedicated to forging and machining operations. Efficient management of this facility is crucial to our business, yet our operations are exposed to a range of risks, many of which are beyond our control. These risks include equipment breakdowns, industrial accidents, severe weather conditions, and natural disasters. Any significant malfunction or failure of our machinery, plant, or IT systems could result in substantial repair and maintenance costs and operational delays. If we are unable to repair our assets and systems promptly, we may need to suspend operations until replacements are procured. Additionally, we may conduct planned shutdowns for maintenance, customer audits, testing, or for capacity expansions and equipment upgrades.

Furthermore, manufacturing disruptions may arise if we violate any conditions of our regulatory approvals, potentially requiring us to cease or limit production until the issues are resolved. Although we have not faced significant disruptions at our manufacturing facilities in the past, we cannot assure that such disruptions will not occur in the future. Our inability to effectively address and rectify these disruptions promptly and cost-effectively could lead to a slowdown or shutdown of our operations, or under-utilization of our facility, adversely affecting our business, financial condition, and results of operations.

**15. Our Group Company and entities are engaged in the similar line of business as of our Company. There are no non-competes agreements between our Company and such entities. We cannot assure that our Promoters will not favour the interests of such entities over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Group Company Forge Mach Auto Private Limited is engaged in the manufacturing of forging and machining components which is the same line of business of our Company. Further, we have not entered into any non-compete agreement with any of the said entities. We cannot assure that our Promoters who have common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and aforesaid entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other entities in which our Promoter has interests. There can be no assurance that our Promoters or our Promoter Group entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**16. We are dependent on third party transportation providers for the delivery of our raw materials, components and finished products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them may have an adverse effect on our business, financial condition, results of operations and prospects**

We use third party transportation providers for the delivery of our raw material, components and finished products. Transportation strikes if happen could have an adverse effect on overall industry and accordingly may affect our receipt of raw materials and components and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an additional cost escalation. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. Further, any disruption into the movement of goods from one place to another could affect our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers and could lead to additional cost. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins, which in turn may adversely affect our business, financial condition and results of operations.

**17. We require many approvals, licenses, permits for running our business. Any failure for obtaining/renewal or retain such licenses in timely manner may adversely affect our operations/business.**

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Though, we believe that we have obtained all the required licenses and approvals, but in case we are required to apply for any license or approvals in the future which may have an adverse impact on our results of operations, cash flows, financial condition or business. Further we require to keep already obtained valid key approvals such as Tax Registrations, Factory and environment related approvals and Labour related approvals, for running our operations in a smooth manner. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

However, we thoroughly review our business operations and identify all the regulatory approvals, licenses, and permits required at the central, state, and local levels, including manufacturing licenses, environmental clearances, trade licenses, registrations under applicable laws, etc. Secondly, we proactively engage with the relevant regulatory authorities to understand the application procedures, documentation requirements, and timelines, which will help identify and resolve any bottlenecks in the approval process. For further details, please see chapters titled "Key Industry Regulations and Policies" and "Government and Other Statutory Approvals" at pages 103 and 187 respectively of this Draft Prospectus.



**18. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.**

Our Company has obtained insurance coverage in respect of certain risks which consists of Burglary Insurance Policy, Machinery Breakdown Insurance Policy, Fire Insurance Policy, Electronic Equipment Insurance Policy, Commercial General Liability Policy, Comprehensive Product Liability and Recall Insurance and other Vehicle Insurance etc. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies.

If any uncertainty arises including losses arising on account of third-party claims or if a claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected.

We are considering conducting a comprehensive review of your current policies, implementing robust risk management practices, increasing insurance limits for high-risk areas, exploring alternative risk transfer mechanisms, regularly updating coverage to address evolving risks, developing business continuity plans, and investing in loss prevention and safety programs. By combining these strategies, we can enhance our protection against operational risks, reduce reliance on insurance as the sole risk mitigation tool, and ensure our business remains resilient in the face of potential hazards. For further information, see the chapter titled “Our Business” on page 92 of this Draft Prospectus.

**19. We are exposed to foreign currency fluctuation risks, which may affect our results of operations.**

Our business involves export transactions with foreign companies, which are received in US Dollars or other foreign currencies. Any adverse fluctuation in the price of Indian Rupee against these foreign currencies would adversely affect the export value of our products. During the, fiscal year 2023-24, 2022-23 and fiscal year 2021-22 the exports accounted for approximately ₹ 1035.92 lakhs, ₹ 850.07 lakhs, and ₹ 431.19 lakhs respectively, which constituted 5.75%, 4.81% and 3.24% respectively. The exchange rate between the Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. The foreign exchange gain during the fiscal year 2023-24, fiscal year 2022-23 and fiscal year 2021-22 accounted for approximately ₹ 19.90 lakhs, ₹ 18.10 lakhs and ₹ 4.37 lakhs respectively. In case of any adverse fluctuation in the foreign currency against INR may have an adverse effect on our business and financial position and we will have to bear the complete risk of currency exchange rate fluctuations.

**20. Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance. Moreover, information relating to capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Our capacity utilization may be affected by many factors including but not limited to the availability of raw materials, industry and market conditions, the product requirements of, and the procurement practice followed by, our customers. For the nine months period December 31, 2023, FY 2022-23, FY 2021-22 and FY 2020-21 our capacity utilization of manufacturing facility at Ludhiana, Punjab was 78.21%, 71.84%, 60.26% and 66.99% for the forging activities and 81.51%, 78.16%, 78.22% and 73.14% for the machining section respectively. In the event that we are unable to achieve full capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. For further details in relation to our capacity utilization, see “**Our Business**” on page 92 of the Red Herring Prospectus. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. Further, information relating to capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see the section titled “**Our Business**” on page 92 of this Red Herring Prospectus.

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

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur at our manufacturing facility. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which may have an adverse impact on our results of operations, cash flows, financial condition or business. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

**22. Materialization of any contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.**

Our Contingent liabilities as on March 31, 2024 were ₹ 2953.10 Lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

(₹ in Lakhs)

Particulars	As At 31st March 2024	As at 31st March 2023	As at 31st March 2022
<b>(a)Contingent liabilities in respect of:</b>			
Claims against the company not acknowledged as debts	-	-	-
Guarantees given on Behalf of the Company	53.10	47.73	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-
Guarantees given by the Company	2,900.00		
<b>(b) Commitments</b>	-	-	-
	<b>2,953.10</b>	<b>47.73</b>	-

Company has provided the Corporate Guarantee to HDFC Bank on the behalf of Forge Mach Auto Pvt. Ltd. (Group Company) for Rs. 2900.00 Lakhs

For more information, regarding our contingent liabilities, please refer “**Note 31**” in chapter titled “**Financial Information of the Company**” beginning on page 161 of this Red Herring Prospectus.

**23. We may be subject to risks associated with product liability claims. In case any product liability claim getting materialized due to product defect, we may be subject to additional cost or loss of future purchase orders from customers which may affect our business and results of operations.**

We are subject to risks and costs associated with product liability claims due to any damage or injury caused by supply of defective products. Any defects in the finished products may result loss or personal injury against with product liability claim can be initiated against our customers and our company. In case of any such product liability claims, we may not be able to successfully defend or settle such claims and lawsuits against defective products. Multiple instances of manufacturing defects in our products or any product liability claim against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our reputation, business, results of operations, financial condition and cash flows. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which will be having an adverse impact on our results of operations, cash flows, financial condition or business.

**24. We are subject to counterfeit, cloned and pass-off products, which may reduce our sales and harm the reputation of our brands.**

We are subject to counterfeit, cloned and pass-off products in our businesses. Counterfeit and cloned products are products manufactured and sold illegally as legitimate products, whereas pass-off products are manufactured and packaged to resemble legitimate products. In the past few years, advances in technology have contributed to the ease at which legitimate products can be counterfeited. The sale of counterfeit, cloned and pass-off products have led, and if left uncurbed, will continue to lead to lower sales for our businesses. In addition, such products may be harmful to customers or may be less effective than genuine products, which could harm our brands and reputation. The proliferation of unauthorized copies of our products, and the time in pursuing claims and complaints about spurious products could have an adverse effect on our reputation and our business. While we have not come across any such counterfeit, cloned and pass-off products in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which will be having an adverse impact on our results of operations, cash flows, financial condition or business.

**25. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.**

Our Company has entered into various transactions with our directors, promoters, promoter group and group company. These transactions, inter-alia includes sales, purchases, remuneration, loans and advances, purchase, sales, rent expenses, reimbursement of expenses etc. For details, please refer to “**Note 33-Related Party Transactions**” under Section titled “**Financial Information of the Company**” and Chapter titled “**Capital Structure**” beginning on page 164 and 56 respectively of this Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects. Further, these related party transactions have been entered are in compliance with the provision of the companies act 2013 after the conversion of the Partnership firm to the company.

Below table represents the % transactions to the Revenue

Kamika International	Transaction with Related firm (in Rs. Lakhs)		
	31-Mar-24	31-Mar-23	31-Mar-22
Revenue from Operation (Job Work)	151.90	7.22	0.50
Revenue from Operation	18011.72	17664.85	13287.85
% to Revenue	0.84%	0.04%	0.00%

**26. We do not have trademark registration for our corporate logo. If we are unable to register our corporate logo, we may not be able to protect or enforce our rights to own or use our corporate logo which could have an adverse effect on our business and competitive position.**

We have filed applications under classes 6, 7, 12 and 35 dated June 11, 2024, with the Registrar of Trade Marks to register our current corporate logo under the provisions of the Trade Marks Act and the Trade Mark Rules, 2002. As on the date of this Red Herring Prospectus, the applications filed by our Company are having the status as “Formalities Chk Pass”. For further information on our trademarks, see “Government and Other Approvals” on page 187. Consequently, we do not enjoy the statutory protections on our corporate logo accorded to registered trademarks in India. If we are unable to register trademark for our corporate logo for various reasons, or if any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Further, in case the trademark application is opposed, we may be required to defend the same and any adverse outcome of these opposition proceedings may hinder our ability to use these logos in part or at all in the future. This in turn could affect our reputation, business, results of operations and prospects. Further, the defence of intellectual property suits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. We may not achieve a favourable outcome in any such litigation. While we have not experienced any instances of infringement of intellectual property or related litigation in the past, but there is no assurance that such instances will not occur in the future and if any claim is adversely determined against us in any of such potential litigation or proceedings, we could be subject to significant liability to third parties. Any such claims could materially and adversely affect our relationships with current or future customers,

result in costly litigation, delay or disrupt supply of products, divert management's attention and resources, subject us to significant liabilities, or require us to cease certain activities.

**27. *Some of the plant and machinery used in our manufacturing have been taken on lease. If we are unable to renew these leases for the said machinery on suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.***

Our company has taken a hammer machine located at E-95 phase-4- Opp. Metro Tyres, Focal Point, Ludhiana-141010 on lease basis from M/s Happy Enterprises at a monthly rent of Rs. 60,000/- for a period of 3 months w.e.f. April 01, 2024 to June 30, 2024. The lease agreement may be terminated early in the event of a default or upon the expiry of their tenure and may not be renewed. For details, see "**Our Business**" on page 92 of this Red Herring Prospectus. Also, as per the terms of the agreement the government approvals like pollution control, PSPCL & other for the said premises will be maintained by the lessor. Additionally, the lease agreements require our Company to comply with certain conditions with respect to the lease. If we fail to meet any such conditions, we may be required to incur additional liability or the lease deed may be terminated by the lessor. In case of any dispute, we may suffer a disruption in our operations which could have an adverse effect on our business and operations.

**28. *If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.***

Our company have in the past grown from a revenue of ₹ 10951.99 Lakhs in FY2021 to a revenue from operation of ₹ 18011.72 lakhs in FY2024 representing a growth of 18.04%, also the PAT of the company has grown from ₹ 160.55 Lakhs in FY2021 to a PAT of ₹ 668.88 lakhs in FY2024 representing a growth of 60.91%. The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including reduce operating costs and improve operational efficiencies, increase our geographical reach and expand our customer base etc. As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

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

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. Any inability to implement our future business plan, manage our growth effectively, further expand into new markets or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

**29. *Loans availed by our Company has been secured on personal guarantees of our directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our directors.***

Our Promoters, Parmod Gupta and Rajan Mittal have provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "**Statement of Financial Indebtedness**" on page 173 of this Red Herring Prospectus.

**30. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.**

As on March 31, 2024, we had total inventory consisting of raw material, WIP and finished goods to the value of ₹ 3554.02 Lakhs. Our business operations require us to maintain large amounts of inventory at times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during factory stocking and transportation. Although we have set up various security measures and follow stringent operational processes but, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to fraud, theft or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft or misconduct and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which will be having an adverse impact on our results of operations, cash flows, financial condition or business.

**31. We do not make any provisions for decline in the value of investments made by our Company. Any continuous decline in the value of investments made by our company may impact our financial results and condition.**

The value of Investment made by our company as of March 31, 2024 stood at ₹ 183.50 Lakhs which represents investment in the mutual fund and related instruments. There have been no provisions made by the management for fluctuation in the value of investments. Any future loss or profit on the sale of the said investment will be included in the financial statements, when the said investments are sold which may have a material impact on our financial conditions and results of operations of the company.

**32. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.**

Our company inadvertently did not comply with certain statutory provisions in the past including but not limited to clerical errors or delays in the forms filed with Registrar of Companies (for which penalty has been paid by the Company) and the details as mentioned herein. For instance, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans and term loan, which is a non-compliance of Section 77 of the Companies Act, 2013, however now the company is not able to file the said form pursuant to the lapse of time period defined under section 77 of the Companies Act, 2013, all these loans were sanctioned to the erstwhile partnership firm transferred to the Company upon conversion of the Firm to company, Upon conversion, the Company approached the bank to reissue sanction letters or enter into a supplementary agreement in its new name and the request for the same is pending from the bank's/NBFC's end respectively. Upon receiving the same, charge will be filed with ROC on priority basis. Also, we are facing technical error in uploading form BEN-2 & MGT-6 for declaration of beneficial ownership, there may be delays in filing the above form pursuant to the technical errors for which our company may be subject to delay penalties. Further, certain of our records and deeds prior to April 01, 2008 are not traceable, we cannot assure you that these records will be available at all or any time in the future in the records maintained by our Company. Further, our company may be subject to any claims or liability in the future, which we may be unable to defend due to the non-availability of such records and deeds.

Although no show cause notice has been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in such an event the financials of our Company and our directors may be affected. Also, with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

**33. Our company have in the past received certain incentive/schemes/benefits pursuant to the industry and location of our manufacturing facility. Any change or cancellation of these benefits/schemes may adversely affect our business operations, profitability and financial condition.**

For the period March 31, 2024 and for the last three Fiscal years, we have availed certain incentives such as MEIS/RODTEP subsidy, duty drawback on export etc. which are tabulated below:-

(Amt in Rs Lakhs)

Schemes	Mar-24	Mar-23	Mar-22
MEIS/RODTEP	9.25	7.59	3.69
Duty Drawback	14.53	13.94	7.04
Concession in electricity and fuel charges	-	-	90.77

The Company has not entered into the binding agreement or commitment to export; however, company is exporting as per the order received from the offshore customers, further company is getting export benefits on the amount of the exports done subject to the qualification criteria under the respective regulation/law for export incentive. However, , the profitability of ours will get impact if any of such schemes get discontinued or benefits under such schemes get reduced or are available for the certain period of time.

**34. Our manufacturing activities require deployment of labour and depend on availability of skilled labour. In case of unavailability of such skilled labour, our business operations could be affected.**

Our manufacturing operations require deployment and our ability to retain skilled labour. In case such labour workforce is unavailable, or we are unable to identify and retain such skilled labour our business could be adversely affected. We cannot guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, there have been amendments in the labour and Employment related laws, which may have a direct impact on our employee costs and consequently, on our margins. While there have been no instances in last three Fiscals and stub period which had an adverse impact on the Company, further we cannot assure that no instance will arise in the future which will be having an adverse impact on our results of operations, cash flows, financial condition or business. Further, latest amendments in labour laws in India may be led to increasing cost of compliance, wages, social security, Occupational Safety, Health and Working Conditions. We cannot assure you that we will continue to comply with all these labour related laws and that as we continue to grow our business in the future, our labour and employee costs coupled with operating compliances and expenses will not significantly increase.

**35. We are dependent on our promoters and senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.**

Our performance depends largely on the efforts and abilities of our Promoters and Directors Parmod Gupta and Rajan Mittal and other key personnel. They have gained experience in this line of business and have over the years-built relations with suppliers, customers, regulators and other persons who are connected with us and have been actively involved in the day-to-day operations and management. Further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for product development activities, procurement of raw materials, successful delivery of products and our overall business operations of our Company. For details in relation to the experience of our key management personnel, see **“Our Management”** on page 115 of this Red Herring Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

**36. Any unsecured loans drawn by us may be recalled by the lenders at any time, which may adversely affect our business, financial condition, results of operation and prospects.**

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31, 2024, such loans amounted to ₹ 524.67 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled **“Statement of Financial Indebtedness”** on page 173 of this Red Herring Prospectus.

**37. Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price.**

Our Company has issued Equity Shares in the last 12 months, which may be at a price lower than the Issue Price. Below are the details of the shares issued at a price which may be lower than the issue price –

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment
December 26, 2023	20,20,000	10/-	60/-	Conversion of loan into equity
March 30, 2024	40,20,000	10	Nil	Bonus allotment

For further details, see **“Capital Structure”** on page 56.

**38. *Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by any bank or any financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.***

We intend to use the Net Proceeds of the Fresh Issue for the purposes described in “Objects of the Issue” on page 66. The objects of the Issue and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. The proposed utilization of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. 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 the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our business plans and may have an adverse impact on our business, financial condition, results of operations and cash flows. The deployment of the funds as stated under chapter “*Objects of the Issue*” is at the discretion of our Board of Directors. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “*Objects of the Issue*” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage labour for performance of certain of our operations in our manufacturing facilities. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, there are certain conditions under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, which we are required to adhere to and in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

**40. *Our company has encountered challenges in meeting the designated timelines for filing statutory returns, which may subject us to penalty under the relevant laws.***

There have been delays in filing GST, EPF and ESIC returns by our Company. After conducting an internal review, we have identified that the primary reasons for these delays are related to reconciliation and operational issues. Delays in the submission of these returns may result in financial penalties and potential legal consequences, which may affect our operations. Furthermore, delayed provident fund and ESIC returns can adversely affect our relationship with regulatory authorities, potentially leading to increased scrutiny and further financial repercussions. To address this issue, we have implemented corrective measures to mitigate future delays. These measures include - Enhancing our reconciliation process to minimize discrepancies, implementing improved cash flow forecasting and management practices, strengthening communication and coordination within our team to expedite return filing.

**41. *Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds towards meeting our working capital requirements, Repayment of certain borrowing availed by our Company, in part or full and general corporate purposes. For further details of the proposed objects of the Issue, see “*Objects of the Issue*” beginning on page 66 of this Red Herring Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not

be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, 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, if any, which may adversely affect our business and results of operations.

**42. Industry information included in this Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.**

This Red Herring Prospectus includes information on Industry in which we operate from various sources. For further details, please see "**Industry Overview**" beginning on page 82 of this Red Herring Prospectus. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. 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.

**43. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.**

The proposed fund requirement as detailed in the section titled "**Objects of the Issue**" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "**Objects of the Issue**" beginning on page 66 of this Red Herring Prospectus.

**44. Any Penalty or demand raised by statutory authorities in future will affect financial position of the Company.**

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will have an additional liability. For instance, our company in the past had delayed filing of certain returns due to operational reasons and accordingly paid late fees and penalties on the same. Any demand or penalty raised by the concerned department or authorities for such late filing may affect the financial position of the company.

**45. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows and working capital requirements.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section "**Dividend Policy**" on page 130 of the Red Herring Prospectus.

**46. The average cost of acquisition of Equity Shares by our Promoters may be lower than the Issue price of the Equity Share in the proposed IPO.**

The average cost of acquisition of Equity Shares of our Promoters may be lower than the Issue price of the Equity Share in the proposed IPO. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see section titled "**Capital Structure**" beginning on page 56 of this Red Herring Prospectus.

**47. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.**

Our promoters along with the promoter group will continue to hold collectively 64.60 % of the post issue paid up share capital of



the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**48. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**49. *We may be subject to surveillance measures, such as the Additional Surveillance Measures (ASM) and the Graded Surveillance Measures (GSM) by the Stock Exchanges which may adversely affect trading price of our Equity Shares.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are subject to such pre-emptive surveillance measures implemented by the Stock Exchange, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

**50. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy. Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**51. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 73 of the Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue in case of unfavourable situation it, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**52. *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 and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

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 Issue within three (3) Working Days from the Bid/ Issue 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 operations, cash flows and 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 Issue or may cause the trading price of our Equity Shares to decline on listing.

**53. *Certain key performance indicators for certain listed industry peers included in this Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.***

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “Basis for Issue Price” beginning on page 73 of the Red Herring Prospectus. Although this information is sourced from and relied upon on the audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**EXTERNAL RISK FACTORS**

**54. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Any financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

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

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**56. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.**

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

**57. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.**

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “**Government and Other Approvals**” on page 187 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, famine, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Our operations may be adversely affected by natural disasters and/or severe weather conditions, which can result in damage to our seeds inventory and hamper our productivity and may slow down our business operations temporarily or any other factor, which can adversely affect agriculture market in which we operate. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

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

**59. If certain labour laws become applicable to us, our profitability may be adversely affected.**

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**60. Our performance is linked to the stability of policies and the political situation in India.**

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any

political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

***61. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

***62. Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.***

The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in any part of the world or other matters. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

***63. Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the forging industry or the sectors we serve, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations. Any such changes and the related uncertainties with respect to the implementation or change in the legal framework may have a material adverse effect on our business, financial condition and results of operations.

***64. Investor 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 within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**SECTION IV – INTRODUCTION****THE ISSUE**

<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	Issue of upto 28,80,000* Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,46,400 Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Net Issue to the Public</b>	27,33,600 Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Out of which*</b>	
<b>QIB Portion<sup>(3)(4)</sup></b>	Not more than 13,65,600 Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Of which</b>	
<b>Anchor Investor Portion</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Out Of which</b>	
<b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Balance of QIB Portion for all QIBs including Mutual Funds</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Non-Institutional Portion</b>	Not less than 4,10,400 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Retail Portion</b>	Not less than 9,57,600 Equity Shares of ₹ 10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	80,40,000 Equity Shares of face value of Rs.10 each.
<b>Equity Shares outstanding after the Issue</b>	Upto 1,09,20,000 Equity Shares of face value Rs.10 each.
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 66 of this Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment, Number of shares may need to be adjusted for lot size upon determination of issue price.

(1) Public issue of upto 28,80,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating to Rs. [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “Issue Structure” beginning on page 212 of this Red Herring Prospectus.

**Notes:**

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 03, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on June 04, 2024.
- The SEBI (ICDR) Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders

and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.

- 4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled "**Issue Procedure**" beginning on page 215 of this Red Herring Prospectus.

**SUMMARY OF OUR FINANCIAL STATEMENTS****RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Rs. Lakhs)

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's Funds</b>			
	(a) Share capital - Partner's capital	804.00	1,660.36	1,367.73
	(b) Reserves & surplus	1,276.88	-	-
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	1,435.86	489.05	454.38
	(b) Deferred tax liabilities (net)	204.13	177.14	145.10
	(c) Other Long-term liabilities	363.40	-	-
	(d) Long-term provisions	76.86	56.58	39.96
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	2,610.14	2,693.64	2,165.78
	(b) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	368.98	304.72	137.69
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,509.66	2,470.01	1,102.04
	(c) Other current liabilities	259.00	253.99	196.19
	(d) Short-term provisions	239.77	168.78	69.06
	<b>TOTAL</b>	<b>10,148.67</b>	<b>8,274.27</b>	<b>5,677.93</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property Plant and Equipment and Intangible assets			
	(i) Property, Plant and Equipment	3,090.65	2,568.84	2,277.79
	(ii) Intangible assets	10.27	6.63	4.18
	(iii) Capital Work in Progress	27.47	-	22.03
	(iv) Intangible Assets Under Developments			
	(b) Non-current investments	183.50	18.80	7.00
	(c) Deferred tax assets (net)	-	-	-
	(d) Long-term loans and advances	356.11	-	-
	(e) Other non-current assets	247.77	75.36	61.74
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	-	-	-
	(b) Inventories	3,554.02	2,119.26	1,079.33
	(c) Trade receivables	2,380.58	3,190.20	2,082.65
	(d) Cash and cash equivalents	52.39	3.45	2.73
	(e) Short-term loans and advances	231.89	285.59	139.81
	(f) Other current assets	14.02	6.14	0.67
	<b>TOTAL</b>	<b>10,148.67</b>	<b>8,274.27</b>	<b>5,677.93</b>

## RESTATED STATEMENT OF PROFIT &amp; LOSS

(Amount in Rs. Lakhs)

	Particulars	For the Year ended		
		31st March, 2024	31st March, 2023	31st March, 2022
<b>I</b>	Revenue from operations (net)	18,011.72	17,664.85	13,287.85
<b>II</b>	Other income	145.58	99.58	112.43
<b>III</b>	<b>TOTAL INCOME (I + II)</b>	<b>18,157.30</b>	<b>17,764.43</b>	<b>13,400.28</b>
<b>IV</b>	<b>EXPENSES</b>			
	(a) Cost of materials and components consumed	11,101.82	11,291.35	7,707.82
	(b) Purchases of stock in trade	-	-	-
	(c) Changes in inventories of finished goods	(832.66)	(1,075.80)	2.57
	(d) Changes in work-in-progress and stock-in-trade	(351.10)	326.72	132.07
	(e) Employee benefit expenses	1,130.56	806.73	621.25
	(f) Depreciation and amortisation expenses	257.36	206.70	180.09
	(g) Finance costs	410.42	338.79	279.57
	(h) Other expenses	5,511.68	5,176.97	4,102.47
	<b>TOTAL EXPENSES</b>	<b>17,228.09</b>	<b>17,071.46</b>	<b>13,025.84</b>
<b>V</b>	Profit before exceptional and extraordinary items and tax (III-IV)	929.21	692.97	374.44
<b>VI</b>	Exceptional items	-	-	-
<b>VII</b>	Profit before extraordinary items and tax ( V- VI)	929.21	692.97	374.44
<b>VIII</b>	Extraordinary items	-	-	-
<b>IX</b>	Profit before tax (VII-VIII)	929.21	692.97	374.44
<b>X</b>	<b>Tax Expense:</b>			
	(a) Current tax expense	233.35	164.63	66.42
	(b) Deferred tax	26.99	32.04	43.68
<b>XI</b>	<b>Profit / (Loss) for the year (IX-X)</b>	<b>668.88</b>	<b>496.29</b>	<b>264.34</b>
<b>XII</b>	<b>Earning per equity share:</b>			
	(1) Basic	10.21	7.58	4.04
	(2) Diluted	10.21	7.58	4.04



## RESTATED CASH FLOW STATEMENT

(Amount in Rs. Lakhs)

Particulars	For the period/Year ended		
	31st March, 2024	31st March, 2023	31st March, 2022
<b>Cash flow from Operating Activities</b>			
Net Profit Before tax	929.21	692.97	374.44
<b>Adjustments for:</b>			
Depreciation & Amortisation Exp.	257.36	206.70	180.09
Profit/Loss On Sale of Fixed Assets (Net)	(49.50)	-	-
Bad Debts	-	-	313.20
Rental Income	(0.60)	-	-
Interest Income	(13.38)	(12.26)	(3.23)
Finance Cost	410.42	338.79	279.57
<b>Operating Profit before working capital changes</b>	<b>1,533.52</b>	<b>1,226.20</b>	<b>1,144.07</b>
<b>Changes in Working Capital</b>			
Trade receivable	809.62	(1,107.54)	(746.21)
Other Loans and advances	(11.96)	(15.87)	(2.32)
Other Current Assets	(7.88)	(5.47)	(0.40)
Inventories	(1,434.76)	(1,039.93)	282.08
Trade Payables	103.91	1,535.01	(87.11)
Other Current Liabilities	5.01	57.79	(216.21)
Short term Provisions	2.27	1.51	(0.13)
<b>Net Cash Flow from Operation</b>	<b>999.72</b>	<b>651.70</b>	<b>373.76</b>
Less: Income Tax paid	151.78	217.44	87.53
<b>Net Cash Flow from Operating Activities (A)</b>	<b>847.93</b>	<b>434.26</b>	<b>286.23</b>
<b>Cash flow from investing Activities</b>			
Purchase of Fixed Assets (Net)	(503.99)	(478.16)	(525.41)
Sale Proceeds of Fixed Assets	106.60	-	-
Purchase of Investment	(164.70)	(11.80)	(7.00)
Other non-current assets	(172.41)	(13.63)	174.71
Long-term loans and advances	(356.11)	-	-
Interest Income	13.38	12.26	3.23
Rental Income	0.60	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,076.63)</b>	<b>(491.33)</b>	<b>(354.48)</b>
<b>Cash Flow from Financing Activities</b>			
Increase/(Decrease) in Short Term Borrowings	(83.49)	527.85	486.97
Increase/(Decrease) in Long Term Borrowings	946.81	34.67	(157.79)
Long Term Provisions	20.29	16.61	4.32
Financial Cost	(410.42)	(338.79)	(279.57)
Addition/(Withdrawal) in Partner's Capital Account	(191.01)	(182.56)	14.20
<b>Net Cash Flow from Financing Activities (C)</b>	<b>282.18</b>	<b>57.80</b>	<b>68.14</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>53.48</b>	<b>0.72</b>	<b>(0.11)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>3.45</b>	<b>2.73</b>	<b>2.84</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>52.39</b>	<b>3.45</b>	<b>2.73</b>

**GENERAL INFORMATION**

**Brief Summary:**

Our Company was originally formed as a Partnership Firm in the name and style of "M/s Auto International" under the provisions of the Indian Partnership Act, 1932 pursuant to partnership deed dated April 19, 2001. Later, pursuant to various amendments in the said partnership deed, as on April 01 2008, Rajan Mittal and Parmod Gupta were the partners of the firm. Consequently, our Firm was converted into a private limited company under Companies Act 2013 with the name 'Forge Auto International Private Limited' pursuant to a fresh certificate of incorporation dated April 25, 2023 was issued by the Registrar of Companies, Chandigarh, Punjab bearing CIN: U25910PB2023PTC058272. Subsequently, our Company was converted into a public limited company under Companies Act with the name 'Forge Auto International Limited' pursuant to a fresh certificate of incorporation dated June 1, 2024 was issued by the Registrar of Companies, Central Processing Centre, Manesar, Gurgaon, Haryana, 122050, bearing CIN: U25910PB2023PLC058272.

For further details please refer to chapter titled "History and Corporate Structure" beginning on page 112 of this Red Herring Prospectus.

The registration number and corporate identity number of our Company are as follows:

**Corporate identity number:** U25910PB2023PLC058272

**Company registration number:** 058272

**Registered Office of our Company:**

**Forge Auto International Limited**

Village Mangarh, Kohara-Machhiwara Road,

Ludhiana, Punjab, 141001 India.

**Tel.:** +91 8999999195

**E-mail:** sm@aint.in

**Website:** www.failtd.com

**Registrar of Companies**

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

**Registrar of Companies, Chandigarh**

1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh, 160019, India

**Board of Directors:**

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Rajan Mittal	Managing Director	S. K. Mittal, House No. 461, Near Rajguru Nagar, Jagjit Nagar, Tharika Road, Ludhiana, Punjab-142021, India	10118277
Parmod Gupta	Chairman & Whole-time director	House No. 86, Near South City, Canal Road, Country Homes West, Rajguru Nagar, Ludhiana, Punjab, 141012, India.	10132317
Bhupinder Preet Kaur	Independent Director	House No. 89/64, J Block, B.R.S. Nagar, Near Gobind Park, Ludhiana, Punjab, 141012, India.	09074080
Ansh Jain	Independent Director	90-D, Bhai Randhir Singh Nagar, Ludhiana, Punjab, 141008, India	10331488
Navneet Kaur	Independent Director	House No. 536, Ward No. 60, Phase- 2, Urban Estate Dugri, Ludhiana, Punjab, 141003, India.	10279779

For further details in relation to our directors, please refer to chapter titled "Our Management" on page 115 of this Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary &amp; Compliance Officer</b>
<b>Gautam Kanchan</b>	<b>Medhavi Sharma</b>

<b>Forge Auto International Limited</b> Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, 141001 India. <b>Tel.:</b> +91 8999999195 <b>E-mail:</b> rg@aint.in <b>Website:</b> www.failtd.com	<b>Forge Auto International Limited</b> Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, 141001 India. <b>Tel.:</b> +91 8999999195 <b>E-mail:</b> cs@faipl.com <b>Website:</b> www.failtd.com
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**Investor Grievances:**

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

**Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Book Running Lead Manager</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai- 400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Sourabh Garg <b>SEBI Reg. No.:</b> INM000010981	<b>J Mukherjee &amp; Associates</b> <b>Address:</b> D-1, MMS Chambers, 4A, Council House Street, Kolkata, 700001 India. <b>Tel No.:</b> +91-9830640366 <b>Email:</b> <a href="mailto:jmukherjeeandassociates@gmail.com">jmukherjeeandassociates@gmail.com</a> <b>Website:</b> <a href="http://www.jmukherjeeassociates.wordpress.com">www.jmukherjeeassociates.wordpress.com</a> <b>Contact Person:</b> Jayabrata Mukherjee <b>Designation:</b> Owner
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. <b>Telephone:</b> +91 22 6263 8200 <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Asif Sayyed <b>SEBI Registration No.:</b> INR000004058	<b>Jasminder Singh &amp; Associates</b> <b>Address -</b> 3-D, Surya Kiran Complex, 92, The Mall, Ludhiana, Punjab, 141001, India <b>Tel:</b> 91-161-4636550 <b>Website:</b> <a href="http://cajasminder.com">cajasminder.com</a> <b>Email:</b> <a href="mailto:jasingh123@yahoo.co.in">jasingh123@yahoo.co.in</a> <b>Peer Review Number:</b> 013663 <b>Contact Person:</b> Ashish Jindal <b>FRN No.:</b> 016192N
<b>Banker to the Company</b>	<b>Bankers to the Issue/Sponsor Bank</b>
HDFC Bank Limited	Kotak Mahindra Bank Limited <b>Address:</b> Kotak Infinity, 6th Floor, Building No. 21, Infinity Park, Off Western Express

<b>Address:</b> Near Manju Cinema, G.T.Road,Ludhiana-141003 <b>Contact Person:</b> Manraj Singh Chadha <b>Designation:</b> Relationship Manager <b>Email:</b> manrajsingh.chadha@hdfcbank.com <b>Tel. No.:</b> 8566976970 <b>Website:</b> www.hdfcbank.com	Highway, General AK Vaidya Marg, Malad (East). Mumbai – 400 097 Maharashtra, India. <b>Contact Person:</b> Mr. Siddhesh Shirodkar <b>Email:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Tel. No.:</b> 022 - 66056603 <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a>
<b>Syndicate Members*</b>	
<b>Hem Finlease Private Limited</b> <b>Address:</b> 203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India <b>Telephone:</b> 0141-4051000 <b>Email:</b> <a href="mailto:mbd@hemsecurities.com">mbd@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Ashok Soni <b>SEBI Registration Number:</b> INZ000167734	

### Designated Intermediaries:

#### Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) in at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

#### Syndicate SCSB Branches

In relation to ASBA Bids 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 Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

#### Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

#### Registrar and Share Transfer Agents

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

#### Collecting Depository Participants (CDP's)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

#### Brokers to the Offer

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

### **Expert Opinion**

Our Company has not obtained any expert opinions except for the consent from the Statutory Auditor of the Company to include their name as an expert in this Red Herring Prospectus in relation to the (a) Independent Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **Monitoring Agency**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds Rs. 10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the Issue. However, Audit Committee of our Company will be monitoring the utilization of the Proceeds of the Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

### **Credit Rating**

As this is an Issue of Equity Shares, hence, there is no credit rating for the Issue.

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

### **Debenture Trustees**

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

### **Filing of Offer Documents with the Designated Stock Exchange/SEBI/ROC**

The Red Herring Prospectus is being filed with SME platform of National Stock Exchange of India Limited (NSE Emerge) Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus has not been filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>

### **Underwriting**

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter, Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated September 9, 2024 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

<b>Details of the Underwriter</b>	<b>No. of shares</b>	<b>Amount Underwritten</b>	<b>% of Total Issue</b>
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	underwritten	(Rs. in Lakhs)	Size Underwritten
Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India Tel No.: +91-22-4906 0000 Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Investor Grievance Email: <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> ; Website: www.hemsecurities.com; Contact Person: Mr. Rohit Sharma SEBI Registration Number.: INM000010981	28,80,000	[●]	100%

*\*Includes 1,46,400 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

### Change in Statutory Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Statutory Auditor	Date of Change	Reason of Change
<b>Jasminder Singh &amp; Associates</b> Address - 3-D, Surya Kiran Complex, 92, The Mall, Ludhiana, Punjab, 141001, India Tel: 91-161-4636550 Website: cajasminder.com Email: jasingh123@yahoo.co.in Peer Review Number: 013663 Contact Person: Jasminder Singh FRN No.: 016192N	Appointed as Auditor on March 28, 2024	To ensure better Corporate Governance and compliance with Companies Act, 2013
<b>Harpriya Garg &amp; Associates</b> Address – 616, Industrial Area B, Near Ram Dharam Kanda, Miller Ganj, Ludhiana, 141003, India Tel: +91 9814011283 Email: harpriyagargfca@gmail.com M. No. 520524 Contact Person: Harpriya Garg FRN No.: 031279N	Resigned as Auditor on March 12, 2024	Not having valid peer review certificate
<b>Harpriya Garg &amp; Associates</b> Address – 616, Industrial Area B, Near Ram Dharam Kanda, Miller Ganj, Ludhiana, 141003, India Tel: +91 9814011283 Email: harpriyagargfca@gmail.com M. No. 520524 Contact Person: Harpriya Garg FRN No.: 031279N	Appointed as Auditor on July 24, 2023	Appointment of auditor in compliance with Companies Act, 2013

### Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ludhiana Edition of Regional newspaper Punjabi Jagran where our registered office is situated at least two working days prior to the Bid / Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid / Issue Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;

- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE or NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI (ICDR) Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. 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 a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders 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 allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 215 of the Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 215 of this Red Herring Prospectus.

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

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “**Issue Procedure**” on page 215 of this Red Herring Prospectus.

#### **Bid/ Issue Program:**

Event	Indicative Dates
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Event	Indicative Dates
Bid/ Issue Opening Date	September 26, 2024
Bid/ Issue Closing Date	September 30, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	October 01, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	October 03, 2024
Credit of Equity Shares to Demat accounts of Allottees	October 03, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	October 04, 2024

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the Filing of Red Herring Prospectus/ Prospectus with RoC.

#### Details of the Market Making arrangement for this Issue

Our Company has entered into a Market Making Agreement dated September 9, 2024 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address:</b>	203, Jaipur Tower, M. I. Road, Jaipur, Rajasthan, 302001, India.
<b>Tel No.:</b>	0141-4051000
<b>E-mail:</b>	<a href="mailto:mbd@hemsecurities.com">mbd@hemsecurities.com</a>
<b>Website:</b>	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>
<b>Contact Person:</b>	Ashok Soni



<b>SEBI Registration No.:</b>	INZ000167734
<b>Market Maker Registration No.</b>	SMEMM0674109092020

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated September 9, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Hem Finlease Private Limited, registered with SME Platform of NSE (NSE Emerge) will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

**Following is a summary of the key details pertaining to the Market making arrangement:**

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE (NSE EMERGE) and SEBI from time to time.
- The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the NSE SME platform from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** Stock Exchange will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. Stock Exchange can impose any other margins as deemed necessary from time-to-time.

- **Punitive Action in case of default by Market Makers:** SME Platform of NSE (NSE EMERGE) will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI / NSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

#### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) filing of Red Herring Prospectus/ Prospectus with Registrar of Companies.

**CAPITAL STRUCTURE**

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Red Herring Prospectus.

(₹ in lakhs)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,10,00,000 Equity Shares having Face Value of ₹ 10/- each	1100.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 80,40,000 Equity Shares having Face Value of ₹10/- each	804.00	-
C	<b>Present Issue in terms of this Red Herring Prospectus*</b> Upto 28,80,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share	288.00	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 1,46,400 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Shares Share reserved as Market Maker Portion	14.64	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of 27,33,600 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Shares Share to the Public	27.34	[●]
	<i>Of which:</i>		
	i) At least 9,57,600 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	95.76	[●]
	ii) At least 4,10,400 Equity Shares aggregating upto Rs. [●] lakhs will be available for allocation to Non-Institutional Investor	41.04	[●]
	iii) Not more than 13,65,600 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers.	136.56	[●]
F	<b>Issued, Subscribed and Paid-up Equity Shares Share Capital after the Issue</b> Upto 1,09,20,000 Equity Shares of face value of ₹10/- each		1,092.00
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Red Herring Prospectus)		608.00
	After the Issue		[●]

\*The Present Issue of upto 28,80,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated June 03, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on June 04, 2024.

\* To be updated upon finalization of the Issue Price.

**Classes of Shares: -**

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only.

All the issued Equity Shares are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

**1. Changes in Authorized Equity Share Capital of our Company:**

Sr. No.	Particulars of Changes	Cumulative No. of Equity Shares	Face Value of Equity Shares Share	Cumulative Authorized Share Capital (Rs. in lakhs)	Date of Shareholders' Meeting	Whether AGM/EGM
1.	Upon incorporation	20,00,000	10/-	200.00	On Incorporation	-
2.	Increase in Authorised Share Capital from ₹200.00 Lakhs to ₹ 1100.00 Lakhs	1,10,00,000	10/-	1,100.00	December 19, 2023	EGM

## 2. Equity Share Capital History of our Company:

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

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable (₹))	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-Up Capital (₹)
Upon Incorporation	20,00,000	10/-	10/-	Other than cash	Subscription to MOA <sup>(i)</sup>	20,00,000*	Nil	2,00,00,000
December 26, 2023	20,20,000	10/-	60/-	Other than cash	Conversion of loan into equity <sup>(ii)</sup>	40,20,000	10,10,00,000	4,02,00,000
March 30, 2024	40,20,000	10	Nil	Nil	Bonus <sup>(iii)</sup>	80,40,000	Nil	8,04,00,000

\*This allotment was made pursuant to conversion of partner's capital into Equity Share capital upon conversion of the Partnership to a Private Limited Company.

All the above-mentioned shares are fully paid up since the date of allotment.

i. Initial Subscribers to the Memorandum of Association subscribed 20,00,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Rajan Mittal	10,00,000
2.	Parmod Gupta	10,00,000
	<b>Total</b>	<b>20,00,000</b>

ii. Conversion of loan into equity by allotment of 20,20,000 Equity Shares of Face Value of Rs. 10/- each at a premium of Rs. 50.00/- each as per the details given below

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Rajan Mittal	6,84,000
2.	Parmod Gupta	8,51,000
3.	Rajan Mittal and Sons HUF	4,31,000
4.	Parmod Kumar Gupta and Sons HUF	54,000
	<b>Total</b>	<b>20,20,000</b>

iii. Bonus Issue of 40,20,000 Equity Shares of Face Value of ₹ 10/- each fully paid up in the ratio of 1 (One) equity shares for every 1 (One) equity share held on the record date i.e. January 01, 2024 as per the details mentioned below:

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Rajan Mittal	16,81,000
2.	Parmod Gupta	18,46,000
3.	Rajan Mittal and Sons HUF	4,32,000
4.	Parmod Kumar Gupta and Sons HUF	55,000
5.	Ambica Gupta	1,000
6.	Shikha Gupta	1,000
7.	Nidhi Gupta	1,000
8.	Jyoti Gupta	1,000
9.	Rekha Mittal	1,000
10.	Shivangi Mittal	1,000
	<b>Total</b>	<b>40,20,000</b>

As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except for the shares mentioned under 2 (a) above, our Company has not issued any Equity Shares for consideration other than cash since its incorporation.

4. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
6. Except for the shares mentioned under 2 (a) (ii) and 2 (a) (iii) above, no Equity Shares have been issued at price below the Issue price within last one year from the date of the Red Herring Prospectus.

**7. Details of Allotment made in the last two years preceding the date of Red Herring Prospectus**

Except as mentioned below, we have not issued any Equity Share in the last two years preceding the date of Red Herring Prospectus.

<b>Date of Allotment</b>	<b>Number of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Reasons for Allotment</b>	<b>Name of Allottees</b>
Upon Incorporation	20,00,000	10/-	10/-	Subscription to MOA pursuant to conversion of Partnership firm into Private Limited Company	Refer table 2 (a) (i) above
December 26, 2023	20,20,000	10/-	60/-	Conversion of loan into equity	Refer table 2 (a) (ii) above
March 30, 2024	40,20,000	10/-	Nil	Bonus Issue	Refer table 2 (a) (iii) above

8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**9. Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Red Herring Prospectus:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each	Classes e.g.: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters & Promoter Group	10	80,40,000	-	-	80,40,000	100.00	80,40,000	-	80,40,000	100.00	-	100.00	-	-	-	-	80,40,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>80,40,000</b>	-	-	<b>80,40,000</b>	<b>100.00</b>	<b>80,40,000</b>	-	<b>80,40,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	-	-	<b>80,38,000</b>

**Notes-**

\*As on date of this Red Herring Prospectus 1 Equity share holds 1 vote. We have only one class of Equity Shares of face value of Rs. 10/- each. We are yet to receive signed copy of tripartite agreement entered with CDSL and NSDL.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the stock exchanges before commencement of trading of such Equity Shares.

**List of Shareholders of the Company holding 1% or more of the paid-up Share Capital of the Company: -**

a) As on the date of filing of this Red Herring Prospectus: -

Sr. No.	Names of Shareholders	Shares held (Face Value of ` 10 each)	% Pre-Issue paid up Share Capital
1.	Rajan Mittal	33,62,000	41.82
2.	Parmod Gupta	36,92,000	45.92
3.	Rajan Mittal and Sons HUF	8,64,000	10.75
4.	Parmod Kumar Gupta and Sons HUF	1,10,000	1.37
	<b>Total</b>	<b>80,28,000</b>	<b>99.86</b>

b) Ten days prior to the date of filing of this Red Herring Prospectus: -

Sr. No.	Names of Shareholders	Shares held (Face Value of ` 10 each)	% Pre-Issue paid up Share Capital
1.	Rajan Mittal	33,62,000	41.82
2.	Parmod Gupta	36,92,000	45.92
3.	Rajan Mittal and Sons HUF	8,64,000	10.75
4.	Parmod Kumar Gupta and Sons HUF	1,10,000	1.37
	<b>Total</b>	<b>80,28,000</b>	<b>99.86</b>

c) One Year prior to the date of filing of this Red Herring Prospectus: -

Sr. No.	Names of Shareholders	Shares held (Face Value of ` 10 each)	% Pre-Issue paid up Share Capital
1.	Rajan Mittal	10,00,000	50.00
2.	Parmod Gupta	10,00,000	50.00
	<b>Total</b>	<b>20,00,000</b>	<b>100.00</b>

d) Two Years prior to the date of filing of this Red Herring Prospectus: -

*Our Company incorporated on April 25, 2023 pursuant to conversion of the Partnership Firm "Auto International" viz. less than two years prior to the date of filing of the Red Herring Prospectus. Hence, requirement of disclosing the list of shareholders prior to two years from the date of filing of the Red Herring Prospectus, is not applicable on us.*

10. Our Company has not made any Initial Public Offer of specified securities in the preceding two years from the date of filing of this Red Herring Prospectus.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

## 12. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, our Promoters, Rajan Mittal and Parmod Gupta, collectively hold 70,54,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition / Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>(A) Parmod Gupta</b>							
April 25, 2023	10,00,000	10	10	Other than Cash	On Incorporation	12.44	9.16
November 15, 2023	(5000)	10	Nil	-	Transfer by way of gift <sup>(i)</sup>	(0.06)	0.05
December 26, 2023	8,51,000	10	60	Other than Cash	Conversion of the loan into equity	10.58	7.79
March 30, 2024	18,46,000	10	Nil	Other than Cash	Bonus Allotment	22.96	16.90
<b>Total (A)</b>	<b>36,92,000</b>					<b>45.92</b>	<b>33.81</b>
<b>(B) Rajan Mittal</b>							
April 25, 2023	10,00,000	10	10	Other than Cash	On Incorporation	12.44	9.16
November 15, 2023	(3000)	10	Nil	-	Transfer by way of gift <sup>(ii)</sup>	(0.04)	.03
December 26, 2023	6,84,000	10	60	Other than Cash	Conversion of the loan into equity	8.51	6.26
March 30, 2024	16,81,000	10	Nil	Other than Cash	Bonus Allotment	20.91	15.36
<b>Total (B)</b>	<b>33,62,000</b>					<b>41.82</b>	<b>30.79</b>
<b>Grand Total</b>	<b>70,54,000</b>					<b>87.74</b>	<b>64.60</b>

(i) Details of transfer of 5000 Equity shares from Parmod Gupta:

S. No.	Date of Transfer	Name of Transferor	No. of share transfer
1.	November 15, 2023	Parmod Kumar Gupta and Sons HUF	1000
2.		Ambica Gupta	1000
3.		Shikha Gupta	1000
4.		Nidhi Gupta	1000
5.		Jyoti Gupta	1000
		<b>TOTAL</b>	<b>5000</b>



(ii) Details of transfer of 3000 Equity shares by Rajan Mittal:

S. No.	Date of Transfer	Name of Transferor	No. of share transfer
1.	November 15, 2023	Rajan Mittal and Sons HUF	1000
2.		Rekha Mittal	1000
3.		Shivangi Mittal	1000
<b>TOTAL</b>			<b>3000</b>

13. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Rajan Mittal	36,92,000	16.54
2.	Parmod Gupta	33,62,000	15.18

#### 14. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters</b>					
1.	Parmod Gupta	36,92,000	45.92	36,92,000	33.81
2.	Rajan Mittal	33,62,000	41.82	33,62,000	30.79
	<b>TOTAL (A)</b>	<b>70,54,000</b>	<b>87.74</b>	<b>70,54,000</b>	<b>64.60</b>
<b>Promoter Group</b>					
3.	Rajan Mittal and Sons HUF	8,64,000	10.75	8,64,000	7.91
4.	Parmod Kumar Gupta and Sons HUF	1,10,000	1.37	1,10,000	1.01
5.	Shivangi Mittal	2,000	0.02	2,000	negligible
6.	Ambica Gupta	2,000	0.02	2,000	negligible
7.	Shikha Gupta	2,000	0.02	2,000	negligible
8.	Nidhi Gupta	2,000	0.02	2,000	negligible
9.	Jyoti Gupta	2,000	0.02	2,000	negligible
10.	Rekha Mittal	2,000	0.02	2,000	negligible
	<b>TOTAL (B)</b>	<b>986000</b>	<b>12.26</b>	<b>986000</b>	<b>9.03</b>
	<b>Total (A+B)</b>	<b>80,40,000</b>	<b>100.00</b>	<b>80,40,000</b>	<b>73.63</b>

15. Except as mentioned below, no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Name of Allottees	No. of shares allotted
March 30, 2024	40,20,000	10/-	-	Bonus Shares	Rajan Mittal	16,81,000
					Parmod Gupta	18,46,000
					Rajan Mittal and Sons HUF	4,32,000
					Parmod Kumar Gupta and Sons HUF	55,000
					Ambica Gupta	1,000
					Shikha Gupta	1,000
					Nidhi Gupta	1,000
					Jyoti Gupta	1,000
					Rekha Mittal	1,000
Shivangi Mittal	1,000					

16. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Red Herring Prospectus.

### 17. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity Shares issued pursuant to this Issue. The Lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters collectively hold 70,54,000 Equity Shares constituting 64.60% of the Post – Issued, subscribed and paid-up Equity Share Capital of our Company.

Our Promoters, Rajan Mittal and Parmod Gupta, have given written consent to include 22,00,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.15% of the post Issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Rajan Mittal</b>						
Upon Incorporation	9,97,000	10/-	10.00	Allotted pursuant to conversion of Partnership Firm	9.13	3 Years
March 30, 2024	1,03,000	10/-	-	Issued pursuant to Bonus allotment	.94	3 Years
<b>Parmod Gupta</b>						
Upon Incorporation	9,95,000	10/-	10.00	Allotted pursuant to conversion of Partnership Firm	9.11	3 Years
March 30, 2024	1,05,000	10/-	-	Issued pursuant to Bonus allotment	.96	3 Years
<b>Total</b>	<b>22,00,000</b>				<b>20.15</b>	

\*Assuming full subscription to the Issue.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations, 2018 and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations, 2018 i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1)(a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237(1)(c)	Specified securities allotted to promoters during the preceding one	The minimum Promoter's contribution

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	consists of specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis. <b><u>Hence Eligible.</u></b>
237 (1)(d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-Issue Equity Shares share capital constituting 58,40,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
  2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
18. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
  19. As on the date of this Red Herring Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Issue price in respect of the offer is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
  20. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
  21. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

22. We have 10 (Ten) shareholders as on the date of filing of this Red Herring Prospectus.
23. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
24. Our Company has not raised any bridge loan against the proceeds of the Issue.
25. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
26. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
27. An over-subscription to the extent of 1% of the Issue, subject to the maximum post Issue paid up capital of Rs. 25 Crore can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post issue paid-up capital is locked in.
28. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
30. There are no Equity Shares against which depository receipts have been issued.
31. Other than the Equity Shares, there is no other class of securities issued by our Company.
32. There are no safety net arrangements for this public issue.
33. As per RBI regulations, OCBs are not allowed to participate in this issue.
34. Our Promoters and Promoter Group will not participate in this issue.
35. This Issue is being made through Book Building process.
36. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
37. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
38. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Bidder/Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

**OBJECTS OF THE ISSUE**

This Issue includes a fresh issue of upto 28,80,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. To meet Working Capital requirements
2. Repayment of certain borrowing availed by our Company, in part or full
3. General Corporate Purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is an engineering company engaged into forging and manufacturing of complex and safety critical, forged and precision machined components such as big ring, small ring, big ball stud, gear blank with broach, stub axle assembly, flange yoke 325 HS, catering to different industry sectors like auto industry including automobiles, tractors, railways etc. and non-auto sectors like agriculture parts, hydraulic parts, striking tools etc. We primarily serve our customers comprising of domestic and global original equipment manufacturers (“OEMs”) engaged into manufacturing for both automotive sector and other non-automotive sector, used across industries by a diversified base of customers.

**Net Proceeds**

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to the Issue*	[●]
Net Proceeds	[●]

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

**Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No.	Particulars	Amount (₹ in Lakhs)
1.	To meet Working Capital requirements	1900.00
2.	Repayment of certain borrowing availed by our Company, in part or full	500.00
3.	General Corporate Purpose**	[●]
	<b>Total</b>	[●]

\*\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

**Means of Finance**

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 24 of this Red Herring Prospectus.

#### Details of Utilization of Net Proceeds

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

##### 1. To Meet Working Capital Requirements

Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. Our Company is an engineering company engaged into manufacturing of forged and precision machined components such as big ring, small ring, big ball stud, gear blank with broach, stub axle assembly, flange yoke 325 HS, catering to different industry sectors like auto industry including automobiles, tractors, railways etc. and non-auto sectors like agriculture parts, hydraulic parts, striking tools etc. For manufacturing of these components, we purchase iron bars which are converted into the finished products. The raw material has to undergo forging and machining section based on the requirement of customer before being converted to final products. The Company will meet the requirement to the extent of ₹ 1900 lakhs from the Net Proceeds of the Issue and balance from internal accruals and borrowings at an appropriate time.

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Notes	FY 22	FY 23	FY 24	FY 25
				Restated		Projected
	<b>Current Assets</b>					
a)	Inventory		1,079.33	2,119.26	3,554.02	3,183.78
b)	Trade Receivables		2,082.65	3,190.20	2,380.58	4,211.00
c)	Cash & Bank Balances		2.73	3.45	52.39	270.86
d)	Short term loans and advances		139.81	285.58	231.89	320.00
e)	Other Current Assets		0.67	6.14	14.02	783.00
	<b>Total - Current Assets</b>	<b>A</b>	<b>3305.19</b>	<b>5604.63</b>	<b>6,232.90</b>	<b>8768.64</b>
	<b>Current Liabilities</b>					

(Rs. In Lakhs)

a)	Trade Payables		1,239.73	2,774.73	2,878.64	2,297.86
b)	Other Current Liabilities		196.19	254.01	259.00	168.00
d)	Short term Provisions		69.06	168.78	239.77	380.00
	<b>Total - Current Liabilities</b>	<b>B</b>	<b>1,504.98</b>	<b>3197.52</b>	<b>3,377.41</b>	<b>2,845.86</b>
	<b>Total Working Capital Gap</b>	<b>C = A-B</b>	<b>1800.21</b>	<b>2407.11</b>	<b>2855.49</b>	<b>5922.78</b>
	<b>Funding Pattern</b>					
a)	Short term Borrowings and internal accruals		1800.21	2407.11	2855.49	4022.78
		<b>IPO Proceeds</b>				<b>1900.00</b>

Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as estimated for financial year ended March 31, 2025.

Particulars	Unit	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
		Audited			Estimated
Debtors	Days	57	66	48	68
Creditors	Days	59	99	102	71
Inventories	Days	51	69	117	96

Justification:

<b>Debtors</b>	Debtors holding days were 57, 66 and 48 in the FY 22, FY 23 and FY 24 respectively, further company expecting debtors holding days of 68 for the FY 25 on account for better negotiation and higher credit terms to attract more sales, this is in line with the company policy to get benefit from the higher sales. Further The company is taking steps for capacity enhancement which will help the company to expand/venture into different markets like defense, oil and gas, aluminum forging etc. Thus, as per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated in the range of 65-70 days of total revenue from operations during Fiscal 2025.
<b>Creditors</b>	Creditors holding days were 59, 99 and 102 in the FY 22, FY 23 and FY 24 respectively, which expected to fall 71 in the FY 25, the decrease in the holding days is due to the company's approach of faster payment to the suppliers to avail trade and cash discount, Also the faster payment will provide the advantage to the company to avail the raw material in faster payment being a preferential customer of supplier as company making faster payments. The Creditors in the FY 22 was on lower side because of the lower purchases of the inventory and due to the accelerated payments to the creditors. Also, there are different credit terms for payment with the different creditors which also contributes to fluctuation in the Creditor holding days. Due to lower inventories and lower creditors the proportion of working capital remained stable in the 22.
<b>Inventories</b>	Inventory holding days were 51, 69 and 117 in the Previous Financial years and these days are expected to increase 96 in the FY 25, the increase in these days is due to the company willing to buy more inventory to cater the Prospective demand of its customers and timely supply of the finished goods to its customers. Further, considering the expansion plans, we further expect to maintain the inventories days around 96 days for the Fiscal year 2025.

Thus, the increased debtors and inventory holding days and decreased creditors days leading to higher working capital requirement. Also due to the increased operations company need to provide for additional taxes, security deposits, Advances to Suppliers and others which are also leading to higher working capital requirement.

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated September 14, 2024.

## 2. Repayment of certain borrowing availed by our Company, in part or full

As on March 31, 2024, our total outstanding fund-based borrowings from Banks and financial institutions amounted to ₹ 4046.00 lakhs. Our Company proposes to utilize an estimated amount of ₹ 500.00 lakhs proceeds towards full or partial repayment or pre-payment of certain borrowings availed from the lenders by our Company.

Our Company has entered into various financial arrangements from time to time, with banks, financial institutions and other parties. The loan facilities availed by our Company include borrowing in the form of, inter alia, term loans and working capital facility from various lenders. For further details, see “*Statement of Financial Indebtedness*” on page 173 of this Red Herring Prospectus. Our Company proposes to utilize an estimated amount of ₹ 500.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings, listed below, availed from the lenders by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favorable debt to equity ratio and enable utilization of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

(Amt in Rs. Lakhs)

Sr. No.	Name of the lender	Original Date (Conversion Date)	A/c No.	From	To	Nature of the borrowing	Sanctioned amount (in ₹ lakhs)	Amount Outstanding as at 29/06/24 (in ₹ lakhs)	Rate of interest (%)	Repayment date/ Schedule	Prepayment Penalty	Purpose for which the loan was sanctioned*
1	HDFC Bank	11-Feb-2021 <sup>#</sup>	88739305	07-11-2023	07-12-2028	Term Loan	251.27	224.28	8.50%	Repayment in 61 Instalment	2% + GST	Working Capital Term Loan
2	HDFC Bank	Year 2022 <sup>#</sup>	88739507	07-11-2023	07-04-2028	Term Loan	72.95	63.65	8.50%	Repayment in 53 Instalment	2% + GST	Working Capital Term Loan
3	HDFC Bank	25-01-2024	89629640	07-03-2024	07-02-2031	Term Loan	500.00	482.47	8.72%	Repayment in 84 Instalment	2% + GST	Working Capital Term Loan

<sup>#</sup>Loans converted on account of conversion of the Partnership to Company.

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated September 14, 2024.

\*Our Statutory Auditors by way of their certificate dated September 14, 2024, have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/loan agreements issued by the respective banks.



### 3. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual Issue expenses turn to be lesser than the estimated Issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus/ Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### Public Issue Expenses

The total estimated Issue Expenses are ₹ [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling commission & Uploading fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others, if any (Fees payable for Marketing & distribution expenses, Sponsor Bank/Banker(s) to the Issue, Selling Commission, Brokerage, depositories, secretarial, advisors, consultancy, peer review auditors, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

(1) Amounts will be finalized and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

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

Portion for Retail Individual Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of Stock Exchange.

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ 10 per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes)
Sponsor Bank [●]Kotak Mahindra Bank Limited]	NIL up to 0.15 lakhs applications and post that ₹ 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of Stock Exchange.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

#### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	(₹ in Lakhs)
		Amount to be deployed and utilized
		F.Y. 24-25
1.	To meet Working Capital requirements	1900.00
2.	Repayment of certain borrowing availed by our Company, in part or full	500.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

#### Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### **Interim Use of Proceeds**

Pending utilization of the proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the issue without our Company being authorized to do so by the Shareholders by way of a Special Resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

**BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 24, 92 and 131 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

**QUALITATIVE FACTORS**

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

1. *Integrated manufacturing operations with diversified product portfolio*
2. *Long-standing relationship*
3. *Experienced Promoters and senior management team*
4. *Track record of healthy financial performance*

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 92 of this Red Herring Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 131 of this Red Herring Prospectus.

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

**1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:-

Sr. No	F.Y./Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	10.21	3
2.	Financial Year ending March 31, 2023	7.58	2
3.	Financial Year ending March 31, 2022	4.04	1
	<b>Weighted Average</b>	8.31	

**Notes:**

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
- ii. *The face value of each Equity Share is ₹10.00.*
- iii. *Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*
- iv. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.*
- v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period*
- vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹[●] to ₹[●] per Equity Share of Face Value of ₹10/- each fully paid up**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for the period ending March 31, 2024	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Industry Average – Forging sector (automobile components)	49.97
Highest (Balu Forge Industries Ltd)	81.87
Lowest (MM Forging Limited)	10.34

\*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the average of the PE of the Peer company i.e. Happy forging Limited, Balu Forge Industries Ltd, MM Forging Limited & Samrat Forgings Ltd.

**Note:**

- i) The P/E ratio has been computed by dividing Issue Price with EPS.
- ii) P/E Ratio of the Company is based on the results published for the Company for the year 2023-24 and stock exchange data dated September 13, 2024.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2024	32.14%	3
2	Period ending March 31, 2023	29.89%	2
3	Period ending March 31, 2022	19.33%	1
	<b>Weighted Average</b>	<b>29.26%</b>	

**Note:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period
- iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	Outstanding at the end of the year (Amt. in Rs.)
1	As at March 31, 2022	17.01
2	As at March 31, 2023	20.65
3	As at March 31, 2024	25.88
4	NAV per Equity Share after the Issue	
	(i) At Floor Price	[●]
	(ii) At Cap Price	[●]
5	Issue Price	[●]

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year/period.

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. NAV per share=Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period
- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

**5. Comparison of Accounting Ratios with Industry Peers:**

(Rs. In Lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Revenue from Operations
			Basic	Diluted				
Forge Auto International Limited	[●]	10	10.21	10.21	[●]	32.14%	25.88	18,011.72
<b>Peer Group</b>								
Balu Forge	802.30	10	9.8	9.74	81.87	16.94%	53.90	55,985.58

Industries Ltd								
MM Forging Limited	578.30	10	55.94	55.94	10.34	17.11%	326.87	1,56,306.61
Happy Forging Limited	1,213.75	2	26.78	26.75	45.32	15.07%	171.17	1,35,823.58
Samrat Forgings Ltd.	370.90	10	5.95	5.95	62.34	9.42%	63.15	16,202.83

**Notes:**

- (i) *Source – All the financial information for listed industry peers mentioned above is sourced from the exchange announcements of the aforesaid companies for the year ended March 31, 2024 and stock exchange data dated September 13, 2024 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the Issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.*
- (ii) *The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2023-24*
- (iii) *NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2024.*
- (iv) *RoNW has been computed as net profit after tax divided by closing net worth.*
- (v) *Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.*
- (vi) *The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share*

**6. Key Performance Indicators**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 14, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years' period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s Jasminder Singh and Associates, Chartered Accountants, by their certificate dated September 14, 2024.

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 92 and 175, respectively. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1 of this Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**Key Performance Indicators of our Company**

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	18,011.72	17,664.85	13,287.85
EBITDA <sup>(2)</sup>	1,371.77	1,128.55	718.42
EBITDA Margin <sup>(3)</sup>	7.62%	6.39%	5.41%
PAT <sup>(4)</sup>	668.88	496.29	264.34
PAT Margin <sup>(5)</sup>	3.71%	2.81%	1.99%
RoE(%) <sup>(6)</sup>	35.76%	32.78%	38.65%
RoCE (%) <sup>(7)</sup>	17.60%	18.36%	13.03%

**Notes:**

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

**Explanation for KPI metrics:**

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

**7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:**

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Forge Auto International Limited			Balu Forge Industries Ltd			MM Forging Limited		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	18,011.72	17,664.85	13,287.85	55,985.58	32,663.89	28,607.92	1,56,306.61	1,46,188.20	1,10,464.48

Forge Auto International Limited

EBITDA <sup>(2)</sup>	1,371.77	1,128.55	718.42	11,909.58	4,765.47	3,684.66	29,413.29	27,330.23	20,174.11
EBITDA Margin (%) <sup>(3)</sup>	7.62%	6.39%	5.41%	21.27%	14.59%	12.88%	18.82%	18.70%	18.26%
PAT <sup>(4)</sup>	668.88	496.29	264.34	9,367.34	3,891.29	2,984.43	13,503.96	12,795.03	9,175.99
PAT Margin (%) <sup>(5)</sup>	3.71%	2.81%	1.99%	16.73%	11.91%	10.43%	8.64%	8.75%	8.31%
RoE(%) <sup>(6)</sup>	35.76%	32.78%	38.65%	24.96%	21.85%	25.28%	18.47%	20.46%	17.02%
RoCE (%) <sup>(7)</sup>	17.60%	18.36%	13.03%	19.45%	18.61%	17.44%	12.91%	14.32%	11.76%

Key Financial Performance	Samrat Forgings Ltd			Happy Forging Limited		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	16,202.83	18,131.45	13,948.62	1,35,823.58	1,19,653.00	86,004.60
EBITDA <sup>(2)</sup>	1,235.00	1,404.74	1,197.70	38,753.69	34,094.00	23,088.70
EBITDA Margin (%) <sup>(3)</sup>	7.62%	7.75%	8.59%	28.53%	28.49%	26.85%
PAT <sup>(4)</sup>	297.41	488.62	356.27	24,298.37	20,869.92	14,228.49
PAT Margin (%) <sup>(5)</sup>	1.84%	2.69%	2.55%	17.89%	17.44%	16.54%
RoE(%) <sup>(6)</sup>	9.90%	18.81%	16.46%	18.69%	21.12%	18.07%
RoCE (%) <sup>(7)</sup>	7.80%	11.86%	12.60%	18.06%	24.24%	19.38%

Notes:

(1) Revenue from operation means revenue from sales, service and other operating revenues

(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost/Interest Expenses - Other Income

(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(4) PAT is calculated as Profit before tax – Tax Expenses

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.



**8. Weighted average cost of acquisition**

- a) The price per share of our Company based on the primary/ new Issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to the conversion of the Partnership firm into the Company and issue of equity shares to the Partners of the Partnership Firm against the Capital account of the Partner's made on April 25, 2023 and conversion of partners loan into Equity during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance") are as follows:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable)(₹)	Price adjusted with Bonus Issue	Nature of Consideration	Nature of Allotment	Total Consideration on (Rs. In Lakhs)
April 25, 2023	20,00,000	10	10	5	Other than Cash	Pursuant to conversion of Partnership firm into Company	200.00
December 26, 2023	20,20,000	10	60	30	Other than Cash	Conversion of loan into Equity	1212.00

- b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

**Weighted average cost of acquisition, floor price and cap price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	17.56	[●] times	[●] times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^	NA^^	NA^^

**Note:**

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) other than Shares transfer on in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ludhiana edition of regional newspaper Punjabi Jagran where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with "Our Business", "Risk Factors" and "Restated Financial Statements" on pages 92, 24 and 131 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS**

**To**  
**The Board of Directors,**  
**Forge Auto International Limited**  
Village Mangarh, Kohara-Machhiwara Road,  
Ludhiana, Punjab, India, 141001

Dear Sirs,

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such Initial public offer, an “IPO” or “Issue”) of Forge Auto International Limited**

We hereby report that the enclosed annexure prepared by the management of Forge Auto International Limited states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares (“the Issue”) by the Company.

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

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

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft offer document/ offer document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This statement has been prepared solely in connection with the Proposed Issue by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY:**

**Benefits under Industrial and Business Development Policy, 2017:** Under the policy, various fiscal incentives are offered in case of setting up a new unit or substantial expansion in an existing unit subject to fulfilment of certain conditions. The Company has been availing various incentives such as GST reimbursement, employment subsidy etc. as applicable under the captioned policy with respect to new manufacturing unit set up in Ludhiana.

### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS:**

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **NOTES:**

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act: -

- ✓ Deduction under the provisions of Section 10AA.
  - ✓ Deduction under clause (iia) of sub-section (1) of Section 32 (additional depreciation).
  - ✓ Deduction under section 32AD or Section 33AB or Section 33ABA
  - ✓ Deduction under section 35AD or Section 35CCC
  - ✓ Deduction under section 80G
6. Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax ('MAT') credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.
  7. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability from the Financial Year 2019-20.

8. This Annexure is intended only 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 tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
9. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
10. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
11. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

With Warm Regards  
**For Jasinder Singh & Associates**  
**Chartered Accountants,**  
**FRN: 016192N**

**CA. Ashish Jindal**  
**Partner**  
**M. No. 559899**  
**UDIN: 24559899BKAEUU5980**

**Place: Ludhiana**  
**Date: September 14, 2024**

**SECTION V – ABOUT THE COMPANY**

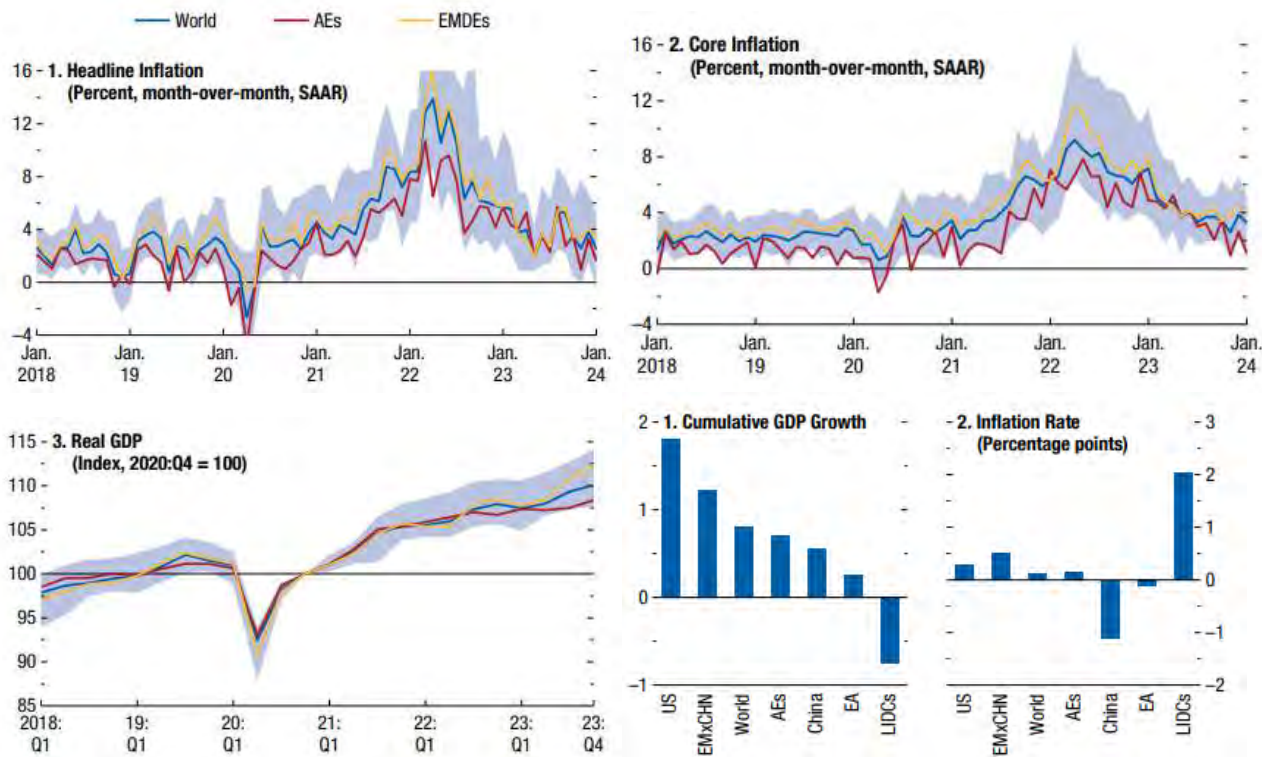
**INDUSTRY OVERVIEW**

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Red Herring Prospectus, including the information in “Our Business” and “Financial Information” beginning on pages 92 and 131 respectively of this Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 24 of this Red Herring Prospectus.

**GLOBAL ECONOMY OVERVIEW**

Economic activity was surprisingly resilient through the global disinflation of 2022–23. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments—including greater-than-expected government spending and household consumption—and a supply-side expansion amid, notably, an unanticipated boost to labor force participation. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic. In addition, as Chapter 2 explains, changes in mortgage and housing markets over the prepandemic decade of low interest rates moderated the near-term impact of policy rate hikes. As inflation converges toward target levels and central banks pivot toward policy easing in many economies, a tightening of fiscal policies aimed at curbing high government debt, with higher taxes and lower government spending, is expected to weigh on growth.



Global growth, estimated at 3.2 percent in 2023, is projected to continue at the same pace in 2024 and 2025. The forecast for 2024 is revised up by 0.1 percentage point from the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage

point from the October 2023 WEO. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities. As Chapter 3 explains, the relatively weak medium-term outlook reflects lower growth in GDP per person stemming, notably, from persistent structural frictions preventing capital and labor from moving to productive firms. Chapter 4 indicates how dimmer prospects for growth in China and other large emerging market economies, given their increasing share of the global economy, will weigh on the prospects of trading partners.

Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress. In China, without a comprehensive response to the troubled property sector, growth could falter, hurting trading partners. Amid high government debt in many economies, a disruptive turn to tax hikes and spending cuts could weaken activity, erode confidence, and sap support for reform and spending to reduce risks from climate change. Geoeconomic fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labor force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity

As the global economy approaches a soft landing, the near-term priority for central banks is to ensure that inflation touches down smoothly, by neither easing policies prematurely nor delaying too long and causing target undershoots. At the same time, as central banks take a less restrictive stance, a renewed focus on implementing medium-term fiscal consolidation to rebuild room for budgetary maneuver and priority investments, and to ensure debt sustainability, is in order. Cross-country differences call for tailored policy responses. Intensifying supply-enhancing reforms would facilitate inflation and debt reduction, allow economies to increase growth toward the higher prepandemic era average, and accelerate convergence toward higher income levels. Multilateral cooperation is needed to limit the costs and risks of geoeconomic fragmentation and climate change, speed the transition to green energy, and facilitate debt restructuring.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

### **Indian Economy overview**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. India's gross domestic product (GDP) at current prices in the second quarter (Q2) of 2023-24 is estimated to be Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in Q2 of 2022-23, showing a growth rate of 9.1%. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. In 2023-24 (April-December), India's service exports stood at US\$ 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at US\$ 565.04 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

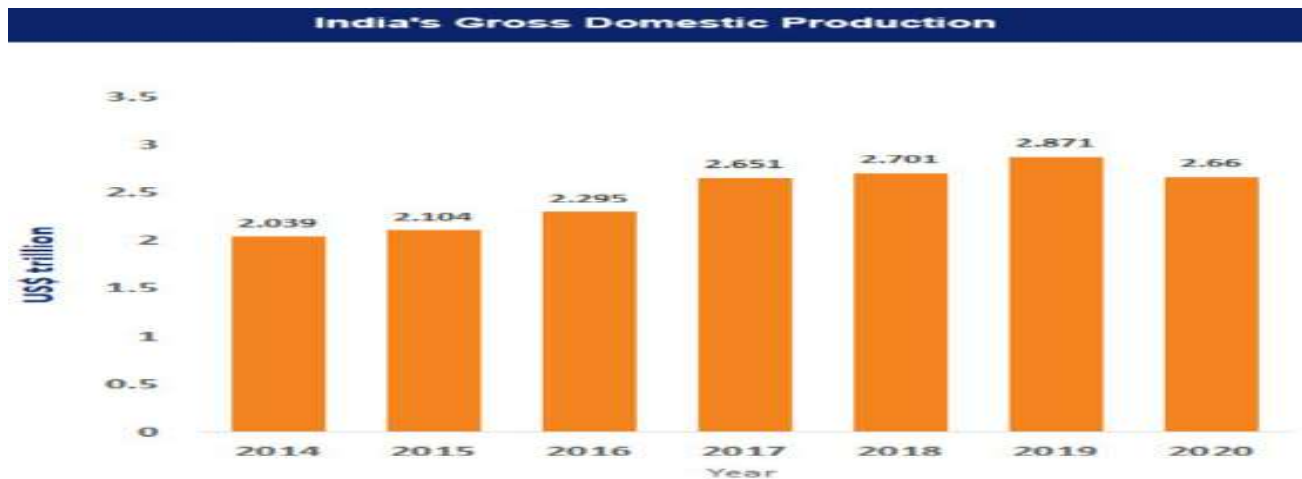
India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 296.58 trillion (US\$ 3.56 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q2 of 2023-24 was Rs. 71.66 trillion (US\$ 861.2 billion), as against

Rs. 65.67 trillion (US\$ 789.2 billion) in 2022-23, estimating a growth of 9.1%. As of 03rd October 2023, India is home to 111 unicorns with a total valuation of US\$ 349.67 Billion. Out of the total number of unicorns, 45 unicorns with a total valuation of US\$ 102.30 Billion were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Billion were born in 2022. India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. The current account deficit stood at US\$ 8.3 billion, or 1% of GDP, in the second quarter of fiscal 2023-24 as compared to US\$ 9.2 billion or 1.1% of GDP in the preceding quarter.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



## RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 19, 2024, India's foreign exchange reserves stood at US\$ 616.14 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in December 2023 stood at US\$ 38.45 billion, with total merchandise exports of US\$ 505.15 billion during the period of April-December (2023-24).
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- At the beginning of January 2024, the PMI Services comfortably remained in the expansionary zone, registering a value of 61.2.
- In December 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,64,882 crore (US\$ 19.80 billion), of which CGST is Rs. 30,443 crore (US\$ 3.65 billion), SGST is Rs. 37,935 crore (US\$ 4.55 billion).
- Between April 2000–September 2023, cumulative FDI equity inflows to India stood at US\$ 953.14 billion.
- In November 2023, the overall IIP (Index of Industrial Production) stood at 141. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 131.1, 139.2 and 176.3, respectively, in November 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.55% in November 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As

per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 261,856 crore (US\$ 31.5 billion) in India during Aril-December (2023-24).

- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

**ROAD AHEAD**

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

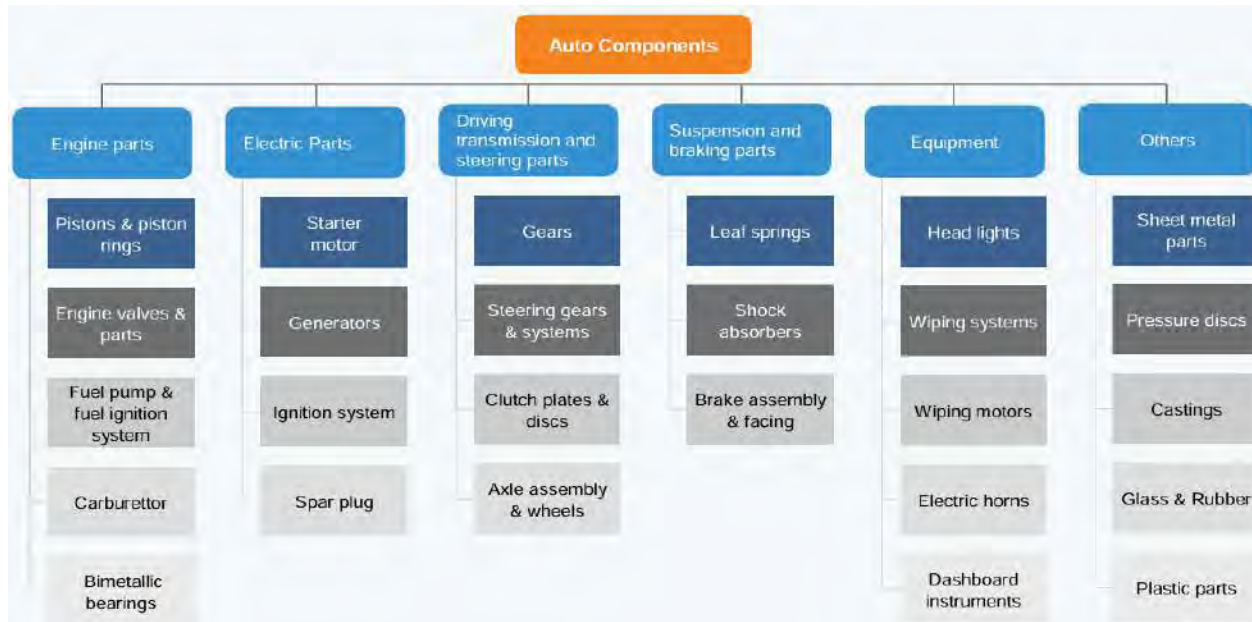
India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. Further, In the interim budget for FY24, Government increased FY25 Capex outlay to record Rs.11.11 lakh crore (US\$ 133.5 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source : - <https://www.ibef.org/economy/indian-economy-overview>)

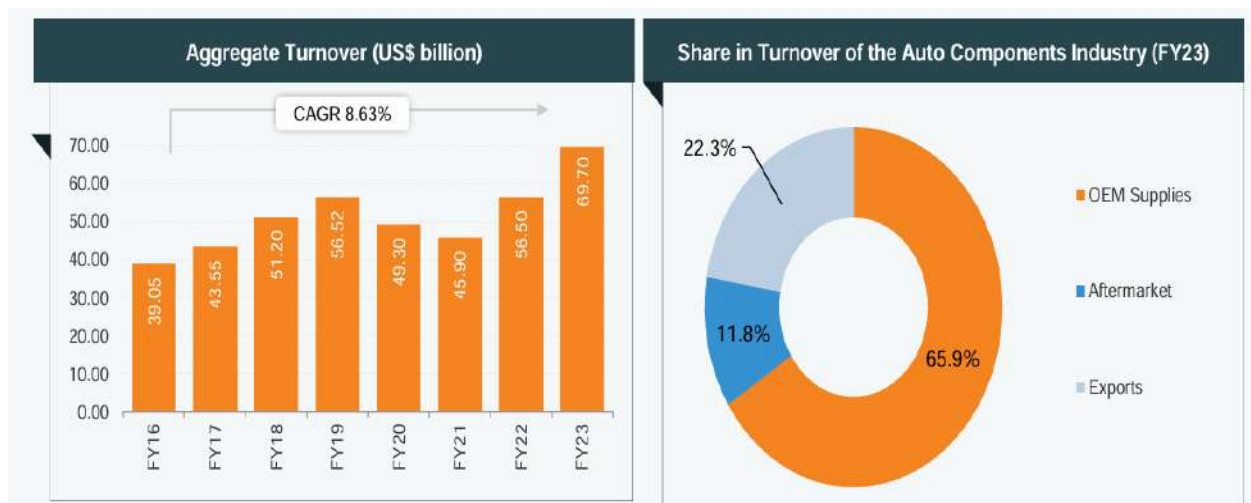
**AUTOMOBILE SECTOR OUTLOOK**

**Product segments**



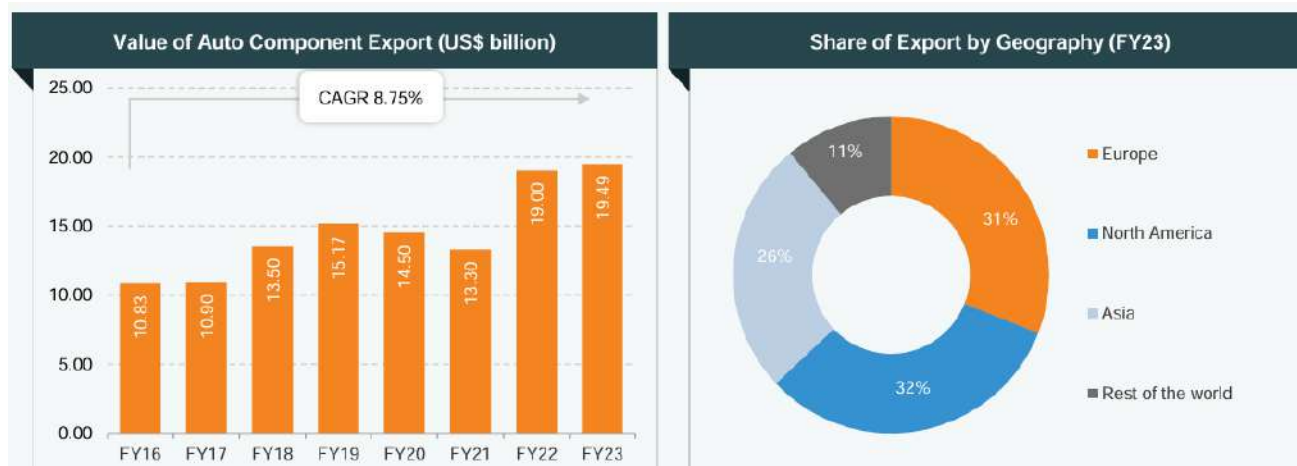
**Robust growth**





- The automobile component industry turnover stood at Rs. 5.6 lakh crore (US\$ 69.7 billion) between 2022-23 the industry had revenue growth of 32.8% as compared to 2021-22.
- Domestic OEM supplies contributed ~66% to the industry's turnover, followed by domestic aftermarket (~12%) and exports (~22.3%), in FY23.
- The component sales to OEMs in the domestic market grew by 39.5% to US\$ 57.62 billion (Rs. 4.76 lakh crore).
- Between 2022-23, exports of auto components grew by 5.2% to Rs. 1.61 lakh crore (US\$ 19.49 billion). As per the Automobile Component Manufacturers Association (ACMA) forecast, automobile component exports from India are expected to reach US\$ 30 billion by 2026. In FY22, India's auto component Industry for the first time reached a trade surplus of US\$ 700 million.
- The aftermarket for auto components grew by 15% in 2022-23 reaching Rs. 85,333 crore (US\$ 10.33 billion).

### Export growth



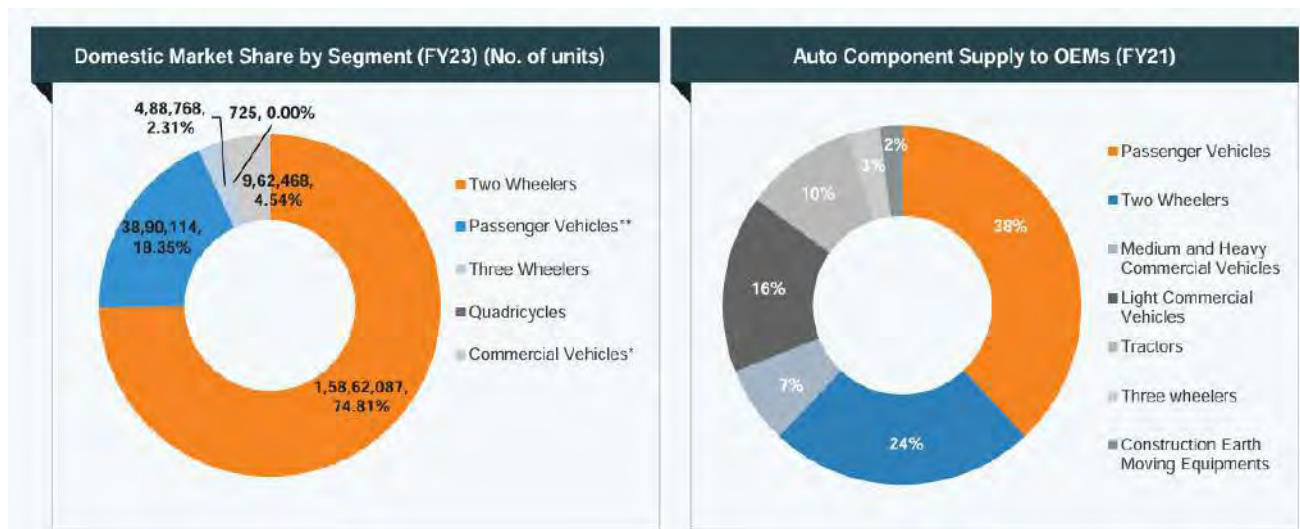
- Exports of auto components grew by 5.2% to Rs. 1.61 lakh crore (US\$ 19.49 billion) in 2022-23 from Rs. 1.41lakh crore (US\$ 19 billion) in 2021-22. In 2023-24 (April-July), the export value of auto components/parts was estimated at US\$ 2.46 billion.
- North America, which accounts for 32% of total exports, increased by 8%, while Europe and Asia, which account for 31% and 26% of total exports, increased by 3% and 4%, respectively. The key export items included drive transmission and steering, engine components, body/chassis, suspension and braking etc.
- Exports of automobile components from India increased, at a CAGR of 11.89%, from US\$10.83 billion in FY 16 to US\$ 19 billion in FY22.
- Auto component exports increased by 8.6% in H1 23 to US\$9.6 billion (Rs.79,033crore) from US\$8.3 billion (Rs.68,746crore) in H1 2021-22.

### Aftermarket growth



- The aftermarket for auto components grew by 15% in 2022-23 reaching Rs. 85,333 crore (US\$ 10.33 billion).
- By 2026, the automotive aftermarket segment in India is expected to reach US\$ 32 billion.
- India’s auto components aftermarket witnessed a 15% growth from US\$ 8.70 billion in FY21 to US\$ 10 billion in FY22.
- Aftermarket turnover increased at a CAGR of 8.02% from US\$ 8.70 billion in FY16 to US\$ 10 billion in FY22 and is expected to reach US\$ 32 billion by 2026.
- The ‘Drive Transmission and Steering’ product category accounted for 21% of the aftermarket share followed by ‘Engine Components’, and ‘Electricals and Electronic Components’ with 19% and 18%, respectively.
- To support local auto parts suppliers, the auto component sector has tied up with Tesla to manufacture electric vehicles in August 2021.

**Shares in production and supply**



- In FY23, domestic sales of passenger vehicles\*\*, commercial vehicles\*, three-wheelers and two-wheelers stood at 38,90,114, 9,62,468, 4,88,768 and 1,58,62,087.
- Passenger vehicles had the highest share of total auto component supplies to OEMs in FY20, distantly followed by two-wheelers and light commercial vehicles (LCV).
- In fiscal year 2023-24 (April-November), the total number of automobiles sold was 14.18 million units.
- In (April-November) 2023-24, the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles was 15.56 million units.

**Advantage India**

**1. Robust demand**

- Growing working population and expanding middle class are expected to remain the key demand drivers. India is the fifth-largest globally. automobile market

- By 2025, 4 million EVs could be sold each year and 10 million by 2030 The market is expected to reach US\$ 206 billion.
- With plans to reduce auto components' import dependence domestic players are expected to witness a demand surge.
- The Indian auto component industry is set to become the 3rd largest globally by 2025.

## **2. Competitive advantages**

- A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America.
- Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system.
- Second-largest steel producer globally, hence a cost advantage.
- India is emerging as a global auto component sourcing hub due to its proximity to key automotive markets such as ASEAN, Europe, Japan and Korea.

## **3. Policy support**

- A dedicated policy FAME II was launched to incentivize electric vehicle consumption and support manufacturing.
- 100% FDI allowed under automatic route for the auto components sector.
- The Indian government has outlined US\$ 7.8 billion for the automobile and auto components sector in production-linked incentive (PLI) schemes under the Department of Heavy Industries. They are expected to bring a capex of Rs. 74,850 crore (US\$ 9.58 billion) in the next five years.
- The Bharat New Car Assessment Program (BNCAP) will not only strengthen the value chain of the auto component sector, but it will also drive the manufacturing of cutting-edge components, encourage innovation, and foster global excellence.

## **4. Export opportunities**

- India is emerging as a global hub for auto component sourcing and the industry exports over 25% of its production annually.
- The auto component industry exported US\$ 19 billion and imported US\$ 18.3 billion worth of components in 2021-22, resulting in the highest export surplus of US\$ 700 million.
- Auto component exports from India is expected to reach US\$ 30 billion by 2026.
- India has a competitive advantage in auto components categories such as shafts, bearings and fasteners due to large number of players. This factor is likely to result in higher exports in coming years.

## **Recent Trends and Strategies**

### **1. Global components sourcing hub**

- Major global OEMs have made India a component sourcing hub for their global operations.
- Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries.
- India is also emerging as a sourcing hub for engine components with OEMs increasingly setting up engine manufacturing units in the country.
- The aggregate CAPEX outlay for the OEMs is estimated to remain high at US\$ 7.95 billion (Rs. 650 billion) over 2023-2025.
- For companies like Ford, Fiat, Suzuki and General Motors (GM), India has established itself as a global hub for small engines.
- Varroc Lighting Systems (VLS) is supplying the complete exterior lighting solutions for Tesla Model S sedan and the Tesla Model X crossover.

### **2. Improving product-development capabilities**

- In October 2023, Tata Motors signed a definitive agreement to acquire a 27% stake in Freight Tiger, a software-as-a-service (SaaS) company, for Rs. 150 crore (US\$ 17.99 million).
- In May 2023, Tata Technologies on Monday announced a partnership with TiHAN IIT Hyderabad, to collaborate in the areas of Software Defined Vehicles (SDV) and Advanced Driver Assistance Systems (ADAS) that incorporate the latest technologies.
- In February 2023, Bridgestone India, a global leader in tyres and sustainable mobility solutions, announced that it would be investing over US\$ 73.39 million (Rs. 600 crore) to meet the increasing demand for quality passenger tyres in the country.
- In January 2023, NXP Semiconductors inaugurated a new state-of-the-art Systems & Silicon Innovation lab at NXP Semiconductors Campus in Manyata Tech Park, Bengaluru.
- In November 2022, Continental Tires, a leading premium tyre manufacturer inaugurates Its First Commercial Vehicle Alignment Center in Jaipur.
- Increased investments in setting-up R&D operations & laboratories to conduct activities such as analysis, simulation & engineering animations.
- The growth of global OEM sourcing from India & increased indigenisation of global OEMs are turning the country into a preferred designing & manufacturing base.

### 3. Route to expansion

- In May 2023, With Tesla proposing a manufacturing plant in India, the government plans to come out with a modified production linked incentive scheme (PLI 2.0) for electric vehicles and advanced chemistry cell batteries to invite fresh investments.
- In May 2023, Bridgestone looks to expand its retail footprint in India by 20-25%.
- In February 2022, the government has received investments proposal worth Rs. 45,016 crore (US\$ 6.04 billion) from 20 automotive companies under the PLI Auto scheme. This scheme is expected to create an incremental output of Rs. 2,31,500 crore (US\$ 31.08 billion).
- In 2022-23, Tamil Nadu attracted investment proposals worth US\$ 2.20 billion (Rs. 18,063 crore) Tamil Nadu is capitalizing on its previous automotive expertise to enter the EV industry.
- In November 2022, auto components maker Sona BLW precision forgings ltd. announced its plans to increase capex by Rs. 1,000 crore (US\$ 123.28 million) for its electric vehicles business.
- In December 2021, Tata Motors has lined up investments worth more than US\$ 1 billion in the next 4-5 years for its commercial vehicle business.
- German auto component major ZF has doubled down on India with an investment of €200 million (US\$ 214.10 million).

### 4. New strategies

- Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of US\$ 23.84 billion (Rs. 1.97 lakh crore) to enhance India's Manufacturing capabilities and Exports.
- The Indian government is exempting imports of capital goods and machinery essential for the production of lithium-ion cells used in EV batteries from customs duty.
- Both Indian & global manufacturers are investing in new capacities & newer programmes to get long term advantage.
- As markets in North, West & South of India are getting saturated, component manufacturers are eyeing untapped markets in the Northeast region of the country.
- In December 2021, MG motor India was exploring export opportunities in UK and South Africa. The company has plans to make India as an export hub.
- In October 2021, TVS Motor Company, collaborated with Tata Power, to boost the comprehensive implementation of electric vehicle charging infrastructure (EVCI) across India and deploy solar-powered technologies at various TVS Motor locations.

### 5. Diversification

- In May 2023, Gabriel India inks a pact with Inalfa, to invest US\$ 20.58 million (Rs. 170 crore) to set up a new manufacturing facility. Inalfa Gabriel Sunroof Systems (IGSS), in Chennai which will become operational in the first quarter of 2024.
- Many Indian firms specialising in only one product market or segment are looking to diversify in segments like two wheelers, passenger cars or commercial vehicles.
- They are stepping up their product development capabilities in order to have the best chance of capturing growth opportunity.

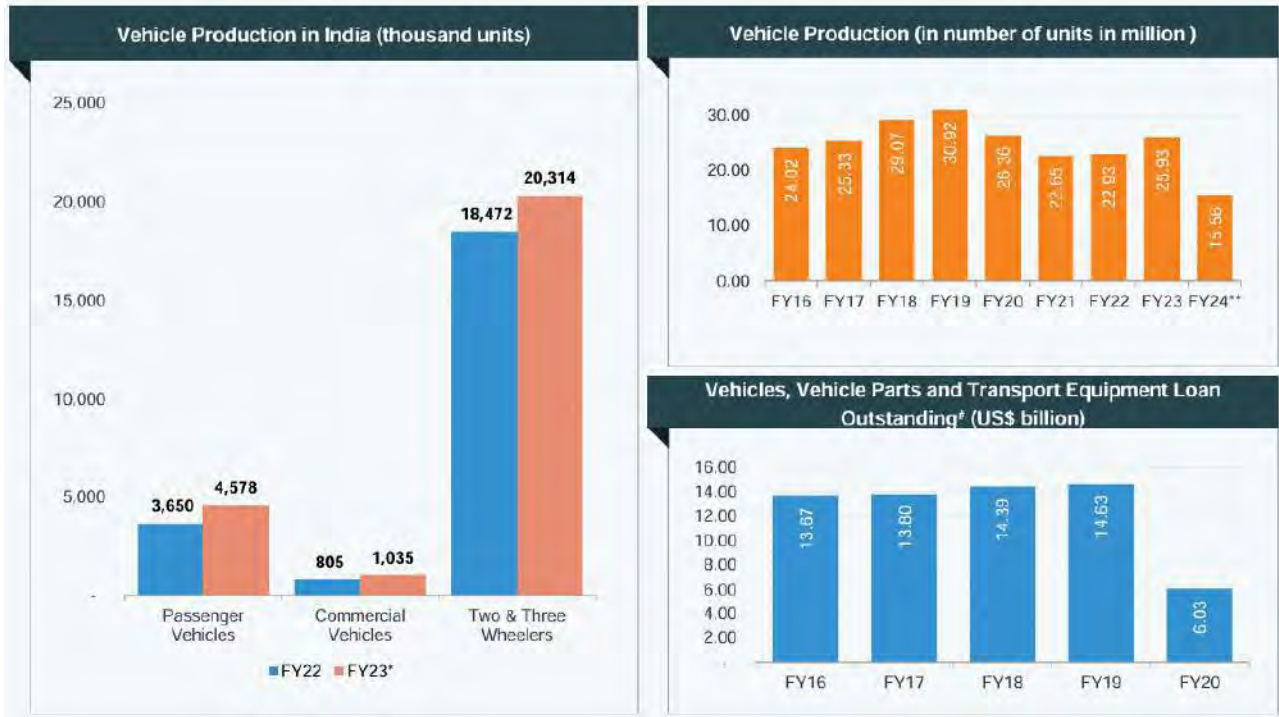
### 6. Capacity

- By 2030, Chinese EV manufacturer BYD hopes to control 40% of the Indian EV market. It already has a manufacturing setup in India, and the current plant's capacity may be increased by another 10,000-15000 units.
- In October 2021, Lucas TVS announced a 20% capacity expansion of its auto and non-auto businesses by the end of 2021.
- In September 2020, off-highway tyre-maker Alliance Tire Group (ATG), owned by the Japanese major Yokohama Group, announced plans to set up its third plant in the country in Visakhapatnam, with an investment of US\$ 165 million (Rs. 1,240 crore). The proposed plant will add over 20,000 tonnes per annum (55 tonnes per day rubber weight) capacity to the 2.3-lakh tonne annual production from two India plants and will be commissioned by the first quarter of 2023.
- In December 2020, Continental planned to expand its local presence in India by increasing their production capacity at the Modipuram plant.

### 7. IPO Listing

- Auto components maker Happy Forgings to launch IPO on December 19th, 2023. It comprises a fresh equity issue of Rs. 400 crore (US\$ 47.99 million) and an offer for sale (OFS) of 71.59 lakh shares.
- Auto component manufacturing companies are entering the equity market to raise capital.
- In March 2021, auto component makers, Craftsman Automation and Rolex Rings Ltd. listed their IPOs on the stock exchange.

**Growth in the automobiles sector**



**Favourable policy measures aiding growth**

**1. National Electric Mobility Mission Plan (NEMMP) 2020**

- The vision of this scheme is for faster adoption of EVs and their manufacturing in the country.
- It aims at achieving sales of 6-7 million units of hybrid and EVs by 2020.

**2. NATRIP**

- Setup at a total cost of US\$ 388.5 million to enable the industry to adopt & implement global performance standards.
- Focus on providing low-cost manufacturing & development solutions.

**3. Dept. of Heavy Industries & Public Enterprises**

- Created a US\$ 200 million fund to modernise the auto components industry by providing interest subsidy on loans & investments in new plants & equipment.
- Provided export benefits to intermediate suppliers of auto components against Duty Free Replenishment Certificate (DFRC).

**4. Automotive Mission Plan 2016-26 (AMP 2026)**

- AMP 2026 targets a four-fold growth in the automobile sector in India, which includes manufacturers of automobiles, auto components & tractors over the next 10 years. It is expected to generate an additional employment of 65 million.

**5. FAME Scheme**

- Aimed at incentivising all vehicle segments two wheelers, three wheelers, four wheelers, LCVs and buses. It covers hybrid & electric technologies like Mild Hybrid, Strong Hybrid, Plug in Hybrid & Battery Electric Vehicles.
- The FAME Scheme was extended for a further period of 2 years up to 31st March, 2024.
- In March 2023, centre approved US\$ 97.85 5 million (Rs. 800 crore) for 7,432 public fast charging stations under the FAME Scheme Phase II.
- In February 2019, the Government of India approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US\$ 1.39 billion) for FY20-22.

**6. Union Budget 2023-24**

- The Government has reaffirmed its commitment towards EVs and its mission for 30% electric mobility by 2030.
- Budget announced customs duty exemption on the import of capital goods and machinery required for the manufacture of lithium-ion batteries that typically power EVs

### **Opportunities in engineering products**

#### **1. Engine & Exhaust parts**

- New technological changes in this segment include introduction of turbochargers and common rail systems.
- The trend of outsourcing may gain traction in this segment in the short to medium term.

#### **2. Transmission & steering parts**

- Share of replacement market in sub segments such as clutches is likely to grow due to rising traffic density.
- The entry of global players is expected to intensify competition in sub segments such as gears & clutches.

#### **3. Suspension & braking parts**

- The segment is estimated to witness high replacement demand with players maintaining a diversified customer base in the replacement & OEM segments besides the export market.
- The entry of global players is likely to intensify competition in sub-segments such as shock absorbers.

#### **4. Electronics and electricals**

- In October 2021, Sona BLW Precision Forgings Limited, through its wholly owned subsidiary company, Sona Comstar eDrive Private Limited (Sona Comstar), entered a collaboration agreement with IRP Nexus Group Ltd., Israel, to develop, manufacture and supply magnet-less drive motors and matching controller systems for electric two and three-wheelers.

#### **5. Others (Metal parts)**

- Metal part manufacturers are likely to benefit from rising demand for body & chassis, pressure die castings, sheet metal parts, fan belts, and hydraulic pneumatic instruments, primarily in the two wheelers industry.
- Prominent companies in this business are constantly working towards expanding their customer base.

(Source: - <https://www.ibef.org/industry/autocomponents-india>)

**OUR BUSINESS**

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 17 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations**” beginning on pages 24, 131 and 175, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Red Herring Prospectus. For further information, see “**Restated Financial Information**” beginning on page 131 of this Red Herring Prospectus.

**Business Overview**

Our Company is an engineering company engaged into forging and manufacturing of complex and safety critical, forged and precision machined components such as big ring, small ring, big ball stud, gear blank with broach, stub axle assembly, flange yoke 325 HS, catering to different industry sectors like auto industry including automobiles, tractors, railways etc. and non-auto sectors like agriculture parts, hydraulic parts, striking tools etc. We primarily serve our customers comprising of domestic and global original equipment manufacturers (“OEMs”) engaged into manufacturing for both automotive sector and other non-automotive sector, used across industries by a diversified base of customers.

We manufacture precision machined components as per customer specifications and International Standard catering to the requirements of various industry such as tractor, agriculture parts, railways, automobiles, commercial vehicle industry, 5th wheel industry, striking tools, hydraulic parts and castor wheel parts and other related industries. Our revenue from sale of machined and forging products has increased from ₹10951.99 lakhs in Fiscal 2021 to ₹18011.72 lakhs in Fiscal 2024, at a CAGR of 18.04% which demonstrates our increased focus on our products. Our continued endeavor to increase value addition through focus on products with higher machining intensity, has enabled us to increase our realization and in Fiscal 2024, 2023 and 2022 our EBITDA margin was 7.62%, 6.39% and 5.41% respectively.

We manufacture products such as short fork 325HS, long fork, flange yoke 325 HS used in commercial vehicles, ball stud, small ball stud used in railway bogies, gear blank with broach, gear blank without broach, stub axle assembly used in tractors, agricultural equipment, sledge hammers etc. Our product range can be broadly classified into different categories i.e. Automotive sector (i.e. used in the manufacturing of auto components such as tractors, light vehicles, heavy commercial vehicles etc.) and non- automotive sector (i.e. which are used in manufacturing of agricultural, industrial and striking tools etc.). Our revenue bifurcation from the different categories that we manufacture over the last 3 years and stub period are as follows :-

**(Rs. in Lakhs)**

<b>Product Category</b>	<b>FY 2023-24</b>	<b>% to Total Sales</b>	<b>FY 2022-23</b>	<b>% to Total Sales</b>	<b>FY 2021-22</b>	<b>% to Total Sales</b>
Auto Parts	9,319.00	51.74%	7554.97	42.77%	3999.15	30.10%
Tractor Parts	4,929.63	27.37%	6685.19	37.84%	6560.7	49.37%
Hydraulic Parts	713.09	3.96%	142.03	0.80%	77.62	0.58%
Railway Parts	422.29	2.34%	746.32	4.22%	186.5	1.40%
Caster Wheel Parts	0	0.00%	222.84	1.26%	165.12	1.24%
Forged & Machined Parts	0	0.00%	218.66	1.24%	117.64	0.89%
Striking Tools	565.97	3.14%	347.59	1.97%	660.71	4.97%
Agriculture Parts	320.81	1.78%	5.99	0.03%	35.62	0.27%
Trailer Parts	136.32	0.76%	150.71	0.85%	175.54	1.32%
Round Bar	53.93	0.30%	85.1	0.48%	106.87	0.80%
Infrastructure Parts	12.81	0.07%	63.49	0.36%	0	0.00%
Scrap & Other Sale	1,537.88	8.54%	1441.95	8.16%	1202.39	9.05%
	<b>18,011.72</b>	<b>100.00%</b>	<b>17664.85</b>	<b>100.00%</b>	<b>13287.85</b>	<b>100.00%</b>

Our company started the business as a partnership firm in the year 2001, with the vision to make its presence in forging sector. As on June 30, 2024, we have established a forging capacity of 20000 MTs and machining capacity of approx. 25 lakhs units per annum for the owned Machinery. The manufacturing facility of the company is installed with the machines like medium frequency induction heating equipment, CNCs, VMCs (vertical milling centres), hydraulic surface grinder with all accessories, HMI screw press, shot blasting machine, Electric Screw Presses of 1000 MT and 1600 MT, lathe machine, continuous heat treatment furnace with ISO thermal annealing, normalising, quenching and tempering, pillar drilling machine / circular saw machine, Spectrometer and PMI, Ultrasonic washing machine, MPI equipment, rolling machine, 6 Drop Forge Hammers ranging

from 1MT to 2.5MT, Broaching (both Horizontal and Vertical), Laser Marking Machines, Coining Presses along with testing equipments like Magna Flux Crack Detection Machines, Standard Room (with CMM, Contour Tracers, Roughness Tester, Height Gauge and other testing instruments), Design & Engineering (with Solid Works, Solid Edge, NX Cam, Q Form Simulation Software and 3D Printer) and utility equipments like forklift, EOT crane, transformer and panels capable of undertaking the forging and machining activities. Further, during the year 2021 our company forayed into the manufacturing of hydraulic components, castor wheel components, industrial goods and other sectors to cater to the growing demand in the forging and machining sector in the India and outside India. Further, over the years, we have expanded our presence within India, with an additional international reach through our customers established in indifferent parts of the world. Apart from our domestic sales, we export our products to countries like France, Germany, Poland, Brazil, Austria, Turkey and United States of America. Below table represent our sales in the Domestic and International Market:-

(Amt in Rs. Lakhs)

Sales Type	2023-24	% of Sales	2022-23	% of Sales	2021-22	% of Sales
<b>Domestic Sales</b>	16,975.80	94.25%	16814.78	95.19%	12856.66	96.76%
<b>Export Sales</b>	1,035.92	5.75%	850.07	4.81%	431.19	3.24%
<b>Total</b>	<b>18,011.72</b>	<b>100.00%</b>	<b>17664.85</b>	<b>100.00%</b>	<b>13287.85</b>	<b>100.00%</b>

Our strategy and commitment to deliver the required product and services to its customer by consistently improving its current products and innovating customer-centric new products and process technologies. Further, because of our commitment towards customer satisfaction and performance of our products, we have expanded our customer base both geographically and in different industry sectors. We serve our customers, engaged in the business of manufacturing in different sectors and industry like agriculture equipment, automotive, castor wheel, construction, defense, heavy commercial vehicle, railway, striking tool, tractor etc.

We have been granted

1. ISO 9001:2015 for quality management systems.
2. ISO 14001:2015 for environmental management systems.
3. OHSAS 45001:2018 for occupational health and safety management systems.
4. IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry.
5. ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect.

Our Promoters and senior management have been instrumental in the growth of our business. Our Promoter Parmod Gupta and Rajan Mittal have played a vital role in the growth of our Company and continues to provide strategic guidance and oversees overall performance of our Company. Parmod Gupta holds a bachelor's degree in Arts. He has the experience of around 48 years in running the forging business and drives new investment and growth strategy besides managing day to day operations of our Company. We have been supported by Rajan Mittal who holds a bachelor's degree in Science from Guru Nanak Dev University in the year 1988. He has around 32 years of experience in the field of business development and financial management in the forging industry. For the details of educational qualification and experiences of our promoter and senior management refer "Our Management" beginning on page 115.

### Financial Snapshot

(All amounts in Rs. Lakhs)

Key Financial Performance	For the year		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	18,011.72	17,664.85	13,287.85
EBITDA <sup>(2)</sup>	1,371.77	1238.46	834.09
EBITDA Margin <sup>(3)</sup>	7.62%	7.01%	6.28%
PAT	668.88	496.29	264.34
PAT Margin <sup>(4)</sup>	3.71%	2.79%	1.97%
RoE(%) <sup>(5)</sup>	35.76%	32.78%	21.53%
RoCE (%) <sup>(6)</sup>	17.60%	21.30%	16.40%

#### Notes:

(1) Revenue from operation means revenue from sales, service and other operating revenues

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

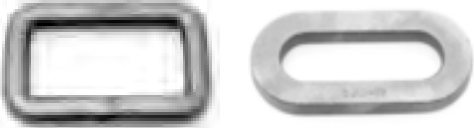



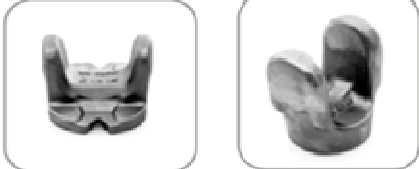

(5) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity




(6) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

### Our Product Portfolio



Our product portfolio can be broadly categorized into auto components parts, tractor parts and other components which are used in different sectors. Below is the brief description of some of our major components manufactured by our company -

S. no.	Product Picture	Category	Usage
1	 <p>Big Ring                      Small Ring</p>	Railway parts	The suspension ring is used in railway bogies to connect the primary and secondary suspension systems. It is a circular metal ring that is mounted on the bogie frame and supports the weight of the coach body.
2.	 <p>Big Ball Stud</p> <p>Small ball stud                      Innteil</p>	Railway parts	Rubber moulded and used in suspension of LHP Bogie. Fitted inside the control arm of LHB bogie. A Control arm is fitted with twin-layer rubber joints, connecting the axle bearing to the bogie frame and transmitting, not stiffly, lateral, longitudinal and part of the vertical forces.
3.	 <p>Gear Blank with Broach                      Gear Blank without Broach</p>	Tractor Part	A gear blank serves as the raw, uncut form from which a finished gear is machined, playing a pivotal role in the precision manufacturing of gears for various applications.
4.	 <p>Stub Axle Assembly                      Double steering arm</p>	Tractor Part	The stub axle assembly for a tractor provides a crucial connection between the front wheel and the steering system, ensuring stability and controlled movement in agricultural operations.  Double Steering Arm - Used in the front axle of tractor
5.	 <p>Flange Yoke 325HS                      Short Fork 325HS</p>	Automotive Part	The components are integral to the propeller shaft assembly in commercial vehicles, both light and heavy vehicle. Specifically, they are used in the axle of the drive shaft, providing crucial connections that facilitate the transmission of torque from the engine to the wheels.
6.	 <p>Long York                      Break Drum</p>	Automobile parts	Long fork - Propellor Shaft Parts. Used in the Commercial vehicle (Light & Heavy) specifically, in the axle of drive shaft.  Brake Drum - used for the rear brake drum of the light commercial vehicle

7.		Striking tools	Sledge Hammer Head - A sledgehammer head is used for heavy-duty tasks such as demolishing structures, breaking concrete, driving stakes, and performing automotive or landscaping work.
8.		Agricultural tools	Finger - The finger is an integral part of agricultural equipment, facilitates efficient crop handling and separation, crucial for optimal performance in harvesting machinery.
9.		5 <sup>th</sup> wheel couple assembly	Locking Bar, Wearing Ring & Lock Jaw  Used in 5th Wheel Coupling Assembly for the heavy commercial vehicles

### Our Competitive Strength

#### *Integrated manufacturing operations with diversified product portfolio*

Our company started the business as a partnership firm in the year 2001, in the initial years of our operations, we focused on manufacturing components such as tractor parts. Later, according to the market demand and customer’s requirement we gradually expanded our product portfolio to include heavy and light vehicle parts, agricultural parts, railway parts and many more. Further, during the year 2021 our company forayed into the manufacturing of hydraulic components, castor wheel components, industrial goods and other sectors to cater to the growing demand in the forging and machining sector in the India and outside India.

The manufacturing facility of the company is having an installed capacity of 20000MT for forging and 25 lakhs units for machining section as on June 30,2024 for the owned Machinery. The manufacturing facility is equipped with machines like medium frequency induction heating equipment, CNCs, VMCs (vertical milling centres), hydraulic surface grinder with all accessories, HMI screw press, shot blasting machine, Electric Screw Presses of 1000 MT and 1600 MT, lathe machine, continuous heat treatment furnace with ISO thermal annealing, normalising, quenching and tempering, pillar drilling machine / circular saw machine, Spectrometer and PMI, Ultrasonic washing machine, MPI equipment, rolling machine, 6 Drop Forge Hammers ranging from 1MT to 2.5MT, Broaching (both Horizontal and Vertical), Laser Marking Machines, Coining Presses along with testing equipments and utility equipments capable of undertaking the forging and machining activities. With our experience and expanded engineering capabilities, we manufactured new products that required higher levels of engineering capabilities, strength, precision and durability. Our continuous efforts to develop new products, have allowed us to serve a wide range of industries and customers, which has led us to attract new customers. We are striving continuously to identify new product range and new customers which can improve our profitability and presentation of our company in the market.

#### *Long-standing relationship*

Our Company enjoys long standing relationship with its key customers & suppliers. These long-standing relationships are result of our commitment to quality, timely delivery, promptness in payments and adaptability etc. We benefit immensely from this. Our business and growth are significantly depending on our ability to maintain good relationship with multiple Indian and global customers across different industries. We believe that having many years of experience in the industry and being able to identify these players would give us a competitive advantage in the business segment. These long-standing relationship with customers and suppliers have helped in establishing our reputation as a trusted business player in manufacturing industry. As on March 2024, our top 5 customers were 69.70% of total revenue from operations and top 5 suppliers were 59.37% of total purchases. We have long-standing relationships with our customers for whom we have executed repeat orders over an extended period of time, which we believe have been established and are strengthened by the dedicated infrastructure and our ability to meet Clients’ requirements for customized products.

### ***Experienced Promoters and senior management team***

We have an experienced and qualified management team led by our Promoters and Directors, Parmod Gupta and Rajan Mittal, who have an overall work experience of around 48 years and 32 years respectively. Thus, we believe that our management possesses relevant business intellect in activities such as forging, engineering and manufacturing of auto components and we are well placed to capitalize their knowledge and experience which has been instrumental in the growth of our Company. Their advisory and inputs are a value addition to our performance, compliance and overall operations. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. We believe our growth strategy in combination with management's demonstrated ability to consistently meet the customers' high expectations for quality and reliability, serves as a foundation for future revenue growth and stable operating profit. For further details on education, experience and other details of our Management and Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page 115 of this Red Herring Prospectus.

### ***Quality Assurance and Standards***

We believe that quality is a pre-requisite for a positive consumer experience and long-term loyalty of our customers. This focus towards quality delivery has formed the foundation of the expansion and diversification of our product portfolio since our inception. We have obtained ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems, OHSAS 45001:2018 for occupational health and safety management systems, IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry & ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect for our manufacturing facility. Our promoter has been in the business of manufacturing and supply of forging and machining components for more than a decade and have successfully ventured and supplied quality products to our customers. Further, apart from the quality of the products, the components must comply with the detailed specifications provided by the customers. Our components are manufactured under controlled conditions, suitable working environment & with strict adherence to the customer requirements. The manufacturing facilities are equipped with monitoring & measurement resources for testing and maintaining quality of the components. Our focus on quality is maintained at all stages right from the sourcing of raw materials, manufacturing and dispatch stage. We believe that our certifications and industrial experience favorably position us in servicing our client requirements across diverse product segments.

### ***Track record of healthy financial performance***

We have established a track of consistent revenue growth and profitability. Our revenue from operations increased from ₹10951.99 lakhs in Fiscal 2021 to ₹18011.72 lakhs in Fiscal 2024 at a CAGR of 18.04% while our restated profit for the year increased from ₹ 160.56 lakhs in Fiscal 2021 to ₹ 668.88 lakhs in Fiscal 2024 at a CAGR of 60.91%. Further, our total income increased from ₹ 10975.23 lakhs in Fiscal 2021 to ₹ 18157.30 lakhs in Fiscal 2024 and our total assets increased from ₹ 5306.96 lakhs as of March 31, 2021 to ₹ 10148.67 lakhs as of March 31, 2024. We believe that our continued focus on efficiency, productivity improvements and cost rationalization have enabled us keep our operating costs under control and improve our margins. Our EBITDA has increased from ₹ 581.08 lakhs in Fiscal 2021 to ₹ 1371.77 lakhs in Fiscal 2024 while our EBITDA Margin increased from 5.31% in Fiscal 2021 to 7.62% in Fiscal 2024. In Fiscal 2024, 2023 and 2022 our Return on Capital Employed was 17.60%, 18.36%, and 13.03%, respectively and as of March 31, 2024, 2023 and 2022, our Return on Equity was 35.76%, 32.78% and 21.53%, respectively. We believe that we have utilized our resources prudently, and that our operational and financial performance will allow us to take advantage of the growth opportunities in our industry. For reconciliation in relation to EBITDA, EBITDA Margin, Return on Equity and Return on Capital Employed, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### ***Our Business Strategies:***

#### ***Expand our presence in the forging market***

As a part of our growth strategy our focus is on increasing sales volume through expansion, diversification and spread in geographical outreach. We have a track record of developing forging and machining products for both automotive and nonautomotive sectors over a decade. In Fiscal 2024, 2023 and 2022, our revenue from sale of products to the foreign industrial market was ₹ 1035.92 lakhs, ₹ 850.07 lakhs and ₹ 431.19 lakhs, respectively. Further, our customer base of the foreign industrial market increased from 3 customers in Fiscal 2021 to 11 customers in Fiscal 2024. We believe that our growth in domestic and international market can fetch us new business expansion and opportunities. To tap into the growing industrial market, we intend to leverage our engineering and product development capabilities to manufacture precision components for industrial applications.

Further, we are taking steps to increase the capacity by installing additional plant and machinery to expand our capabilities by adding new solutions for heavy machining and foraying into heavy forgings in different sectors like defence, gas and oil aluminium forging etc. With a focus on industries such as tractor, agriculture parts, railways, automobiles, commercial vehicle industry, 5th wheel industry, striking tools, hydraulic parts and castor wheel parts and other related industries, we plan to

increase our customer base and solidify our position as a manufacturer of machined components. We intend to achieve this by adding new products that have applications in these industries to increase our revenue from these industries. Also, the additional production capacity in terms of production will be 15 lakh Forging (6132 MT Per Annum) and/or machining components. As per the planning of the management the machine will be commissioning the commercial production by end of September 2024.

***Focus on consistently meeting quality standards***

In the precision components manufacturing industry, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. Any such issues could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Our manufacturing facility have been certified with ISO 9001:2015 for quality management systems, EMS 14001:2015 for environmental management systems, ISO 45001:2018 for occupational health and safety management systems, IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry & ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect. As a part of our business strategy, we will continue to strengthen the quality control processes for the products which we offer. Our Company intends to focus on adhering to the quality standards of the products. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with customers.

***Focus on Advanced Products***

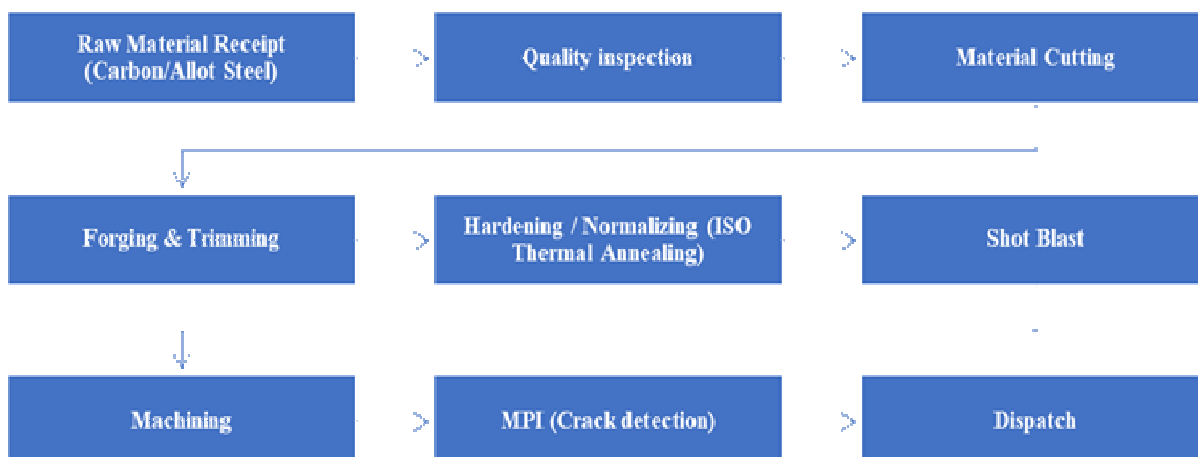
We intend to leverage our design and engineering capabilities to increase our focus on advanced products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. By upgrading our product portfolio, we can meet the diverse requirements of the customers. Further, by upgrading of manufacturing facility we can improve the quality of our products and add new products to our portfolio. We believe that this will potentially open up new opportunities for our business and help us stay competitive in the market.

***Expand capacity at our existing manufacturing facilities***

As of the date of this Red Herring Prospectus, we operate from our manufacturing facility located at Ludhiana, Punjab. We are taking steps towards increasing our existing manufacturing capabilities. The additional production capacity in terms of production through these steps will be 15 lakh Forging (6132 MT Per Annum) and/or machining components. As per the planning of the management the machine will be commissioning the commercial production by end of September 2024. We have taken financial facility from SIDBI amounting to Rs. 742.00 lakhs for the purpose of expansion by acquisition of Power press, VMCs, circular saw etc. The said loan has been used for purchase of new machineries and equipment to build up additional capacity for our forging and machining operations. The installation of new machinery and equipment will enable us to increase our production capacity, scale our operations, onboard new customers, introduce new products, better serve our existing customers, enable us to better address the business requirements of our customers, improve our customer service and facilitate our growth strategy.

**Our Business Process Flow:**

Below exhibits the process flow of the company from procuring the material to the supply of the end products.



- **Raw Material Receipt (Carbon & Allot Steel)**

The major raw material required for our manufacturing activities are carbon steel or alloy steel. The selection of appropriate raw material is based on the requirements of the customers. The order for the raw material is placed based on the technical specifications and drawing provided by the customers. Vendor selections is done either according to approved list of customer's raw material supplier or according to the past records, quantity to be ordered and quality of material required.

- **Quality inspection**

On receipt of the material, the material is checked for the chemical composition required and the mechanical properties of the raw material.

- **Material Cutting**

The raw material i.e. steel bars received are then cut into smaller billets as per the product specification and the manufacturing plan prepared by the company. This activity is critical for the company as the accuracy of the finished product and material loss will depend upon the cutting activities.

- **Forging & Trimming**

The billets are then heated to precise temperatures and subjected to a forging process, where the metal is pressed, pounded, or squeezed under high force to create high-strength parts with the required shape and size. Our forging capabilities include forging presses and hammers.

- **Hardening / Normalizing (ISO Thermal Annealing)**

Once the forged components are produced, they undergo a crucial heat treatment process to achieve the required specifications for structure and hardness, among other factors. Some of our components also undergo heat treatment during the machining process to achieve specific structure, and hardness.

- **Shot Blast**

After the forging process, our components undergo further operations, such as shot blasting, which is a surface treatment process. Shot blasting involves directing high velocity steel abrasive shots in a controlled manner onto the surface that needs to be treated. This method is effective in achieving excellent cleaning and surface preparation for subsequent finishing operations. Shot blasting is an essential step in our manufacturing process, as it ensures that our components have a clean and uniform surface, free from any contaminants or imperfections. This process also enhances the adhesion of subsequent coatings or finishes, ensuring that our components have a long-lasting and durable finish.

- **Machining**

Machining is a critical process that involves transforming raw forgings into finished components with precise specifications in terms of size, shape, and other performance parameters. Machining operations are typically divided into two phases. First step involves the process that is used to remove large amounts of material to produces a shape close to the desired form but leaves some material on the piece for subsequent finishing operations. Under this step, the part achieves the final dimensions, tolerances, and surface finish.

- **MPI (Crack detection)**

This step involves conducting the magma flux crack detection test and Magnetic particle inspection test on the finished product to detect surface and subsurface flaws in finished goods. An MPI test involves magnetizing a component and applying magnetic particles to detect defects like cracks or discontinuities.

- **Dispatch**

Once the inspection of the finished goods is completed the material is packed as per the customer's specification and dispatched to the customers.

## **Our Manufacturing Facility**

The manufacturing facility of the Company is located at Village Mangarh, Kohara- Machhiwara Road, Ludhiana, Punjab, India, 141001. Further, the manufacturing facility of the company is equipped with the requisite plant and machineries, along with the testing equipments and utilities for smooth manufacturing activities. The manufacturing facility of the company is equipped with machineries like medium frequency induction heating equipment, CNCs, VMCs (vertical milling centres), hydraulic surface grinder with all accessories, HMI screw press, shot blasting machine, Electric Screw Presses of 1000 MT and 1600 MT, lathe machine, continuous heat treatment furnace with ISO thermal annealing, normalising, quenching and tempering, pillar drilling machine / circular saw machine, Spectrometer and PMI, Ultrasonic washing machine, MPI equipment, rolling machine, 6 Drop Forge Hammers ranging from 1MT to 2.5MT, Broaching (both Horizontal and Vertical), Laser Marking Machines, Coining Presses along with testing equipments like Magna Flux Crack Detection Machines, Standard Room (with CMM, Contour Tracers, Roughness Tester, Height Gauge and other testing instruments), Design & Engineering (with Solid Works, Solid Edge, NX Cam, Q Form Simulation Software and 3D Printer) and utility equipments like forklift, EOT crane, transformer and panels capable of undertaking the forging and machining activities.



**Installed Capacity & Capacity Utilization:-**

As of the date of this Red Herring Prospectus, we operate from our manufacturing facility located at Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab, India, 141002. Below are the details of our installed capacity and capacity utilization for the Fiscal year 2021-22, 2022-23 and 2023-24 –

Process	Forging Section (In MTs)			Machining Section (In Pcs)		
	2023-24	2022-23	2021-22	2023-24	2022-23	2021-22
Installed Capacity	20000	20000	19750	2500000	2500000	2200000
Utilized Capacity	15279.59	14368.4	11901	2152123	1954025	1720838
Utilization (%)	76.40	71.84	60.26	86.08	78.16	78.22

**Collaborations/Tie Ups/ Joint Ventures:**

As on date of the Draft Red Heering Prospectus, our Company does not have any Collaborations/Tie-ups/Joint Ventures.

**Export Obligation:**

Our Company does not have any export obligation, as on date of this Draft Red Hering Prospectus.

**SALES AND MARKETING:-**

As of March 31, 2024, we have an in-house sales and marketing team of 14 employees. Our management and the sales and marketing team undertake continuous discussion with the prospective customers regarding the products manufactured and their technical specifications. Our company also participate in different seminars and exhibitions at different levels for the display and marketing of our products. Based on the discussions with customers, we are required to submit a technical proposal that includes product features, performance specifications, compliance with legal and regulatory requirements, proposed development timeline etc. We may also be required to develop and supply concept prototypes for the customer based on initial design plans. Once our prototype is confirmed to have met the customer's specifications and clears the testing phase, we receive firm orders from the customers.

Pursuant to the purchase order, our customers provide us the quantities of units to be supplied along with the delivery schedules specifying the details of delivery. The purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and will be safe for use, that orders will be fulfilled according to predetermined delivery schedules and that all products will be built to customer specifications. Our sales and marketing team focuses on developing customer relationships and identifying and acquiring new customers and generating business opportunities.

**COMPETITION:-**

We face competition, both domestically and internationally, in relation to our products. As per our believe technology, price, design, quality, delivery, and engineering capabilities are the primary elements of competition in the forging and machining industry. We face competition from larger organizations who possess greater financial resources, patents, underutilized capacity, lower labour costs, lower tax rates, and export or raw materials subsidies. Despite this, we believe that our experience in design and engineering, diverse product portfolio, flexibility to meet customers' varying needs, and long-standing customer relationships give us a competitive edge.

**Infrastructure & Utilities:**

- a) **Raw Materials** – Our primary raw material required for our manufacturing is steel. We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments executed with them. The raw material is inspected for defined chemical composition and mechanical properties. For the Fiscal 2024, 2023 and 2022, the cost of raw materials and components consumed was ₹ 9,918.06 lakhs, ₹ 10542.27 lakhs and ₹ 7842.46 lakhs respectively, which represented 55.06%, 59.68% and 59.02% of our revenue from operations for the respective Fiscals. We select our suppliers based on their performance, delivery and quality of products received.
- b) **Power and Water**– Our manufacturing processes require an uninterrupted and constant power supply to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We make arrangements for power purchase from local utilities (Punjab State Power Corporation Limited) and through generator sets installed in all our manufacturing facilities. We also require water for our manufacturing process; to meet the water requirements we rely on local sources for supply of water to our manufacturing facility.
- c) **Transportation** – The choice of transportation mode for each shipment depends on several factors, including the urgency, size, and value of the order. For our domestic operations, we rely on third-party transportation modes, such as road and rail. For outbound overseas shipments, we use a range of third-party transportation modes, including road, air, and sea. We engage third-party logistics service providers to facilitate our transportation needs. For further information, see “Risk Factors” on page 24.

d) **Quality Assurance and Quality Control-** In the precision components manufacturing industry, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. Any such issues could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Additionally, representatives from our customers may also inspect our manufacturing facilities and processes to ensure compliance with their specific requirements. We also have a separate team of engineers responsible for quality assurance. For further information, see “Risk Factors” on page 24.

Our manufacturing facility have been certified with the below mentioned certificates in accordance with the standards of quality management systems –

1. ISO 9001:2015 for quality management systems.
2. EMS 14001:2015 for environmental management systems.
3. ISO 45001:2018 for occupational health and safety management systems.
4. IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry.
5. ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect.

These enable us to operate effectively and ensures our customers for the quality standard.

e) **EMPLOYEES:**

As of March 31, 2024, we had 366 permanent employees. The following table provides information about our permanent employees, as of March 31, 2024:-

Department	Grand Total
Designer	5
Finance	10
HR & Admin	20
Marketing	14
Production	281
Quality Control	36
<b>Grand Total</b>	<b>366</b>

Apart from the on-roll employees we also appoint independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations (hammer forging, inspection, transportation, grinding and shot-blasting). As of March 31<sup>st</sup>, 2024, we had around 215 contract labours employed at our manufacturing facility. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.


Our employees are not unionized into any labour or workers’ unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three Fiscals and nine months ended March 31, 2024. For further information, see “Risk Factors” on page 24.

**Insurance:**




We maintain insurance cover for our properties, including protection from fire, machinery breakdown insurance policy, electronic equipment insurance policy, burglary and theft. In addition, we maintain commercial general liability policy, comprehensive product liability and recall insurance and private car and vehicle insurance policy. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For further information on risks related to our insurance policies, see “Risk Factors” on page 24.

**Intellectual Property**

**Our Trademarks**

Trademark	Application Number	Class of Registration	Trademark Type	Date of Issue/ Application	Status
	6473365	6	DEVICE	11/06/2024	Formalities Chk Pass*



Trademark	Application Number	Class of Registration	Trademark Type	Date of Issue/ Application	Status
	6473366	7	DEVICE	11/06/2024	Formalities Chk Pass*
	6473367	12	DEVICE	11/06/2024	Formalities Chk Pass*
	6473368	35	DEVICE	11/06/2024	Formalities Chk Pass*

\*Applied in the name of Forge Auto International Limited.

### Properties

The following table sets forth the location and other details of the properties of our Company

Sr. No	Location	Owned / Rented	Purpose of use	Description
1.	Village Mangarh, Kohara- Machhiwara Road, Ludhiana, Ludhiana, Punjab, India, 141001	Owned	Registered Office & Manufacturing facility	<p>Portion of Village Mangarh Hadbast No. 223, Tehsil &amp; Distt Ludhiana, Punjab, 141001, India has been purchased (500 square yards) by the erstwhile partnership firm from Sukhwinder Singh, Girdhari Lal and Harmesh Lal through sale deed dated 10<sup>th</sup> April, 2021 for Rs. 6,60,000/- &amp; purchased (10194.25 square yards) by the erstwhile partnership firm from M/s Auto Forjng through sale deed dated 06<sup>th</sup> June, 2008 for Rs. 90,00,000/-</p> <p>Purchased (3849.31 square yards) by the erstwhile partnership firm from Sohan Singh through sale deed dated 27<sup>th</sup> October, 2010 for Rs. 12,70,000/- located at Village Mangarh Hadbast No. 222, Tehsil &amp; Distt Ludhiana, Punjab, 141001, India.</p>

Also, the company has taken on rent a hammer machine situated at E-95, Phase-4 Opposite Metro Tyre, Focal Point Ludhiana, Punjab-141010 from Happy Enterprises at a monthly rent of Rs. 60,000/- for a period of 3 months w.e.f. July 01, 2024 to October 31, 2024. In the said premises we have taken on rent basis 1 hammer machine on which we have appointed our contractual labour for maintaining store & consumables. Our Company bears the electricity expenses, wages and salary of all the people who are working on our rented machine. As per the terms of the agreement the government approvals like pollution control, PSPCL & other for the said premises will be maintained by the lessor.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.*

*For details of such approvals, please see the section titled “Government and other Approvals” on page 187 of this Red Herring Prospectus –*

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

It consists of six chapters which are further divided into 32 sections. This Act also provides for the formation of the National Board of Micro, Small and Medium Enterprises. The head office of the Board is in Delhi. Section 3 of the Act defines the members of the board. The Central Government, by notification, can constitute an advisory committee. Registration of micro, small and medium enterprises is replaced with the filing of the memorandum. To avail the benefit of the Act, it is always recommended to register the enterprises as a micro, small or medium enterprise. The concept is important for the promotion of industrial development in rural areas, use of traditional or inherited skills, use of local resources and mobilization of resources and exportability of products. It provides maximum opportunities for employment outside the agriculture sector as well.

##### **Industries (Development and Regulation) Act, 1951, as amended (“IDR Act”)**

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defense equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Commerce and Industry, Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT). The main objectives of the IDR Act are to empower the Government to take necessary steps for the development of industries, to regulate the pattern and direction of industrial development, and to control the activities, performance and results of industrial undertakings in the public interest. The DPIIT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

##### **Legal Metrology Act, 2009 (the “Metrology Act”)**

The Legal Metrology Act, 2009 (referred to as the Metrology Act, as amended), was established to set and enforce standards for weights and measures. It aims to regulate trade and commerce involving goods that are sold or distributed by weight, measure, or number. The Metrology Act governs transactions and contracts related to goods or specific classes of goods, ensuring that they adhere to the weight, measurement, or number standards prescribed by the Act. The exact details regarding the denominations of weight for goods involved in transactions are determined by individual state rules and regulations.

### **CORPORATE AND COMMERCIAL LAWS**

##### **The Companies Act, 2013**

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entities as companies. The Act provides regulatory and compliance mechanisms regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

##### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti-competitive agreements, abuse of dominant positions by enterprises” and regulate “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may

enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of contract and effects of breach of a contract. The Act consists of limiting factors subject to which a contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which a promise made by the parties to a contract shall be legally binding on them.

### **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressed forums set up under the Act.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the Cheque which is punishable with imprisonment as well as fine.

### **The Registration Act, 1908 ("Registration Act")**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Indian Stamp Act, 1899 (the "Stamp Act")**

Under the Indian Stamp Act, 1899 (the "Stamp Act") stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the "code") cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals,(b) Insolvency Professional Agencies and (c) Information Utilities.

## **EMPLOYMENT AND LABOUR LAWS**

### **The Factory Act, 1948**

The Factories Act of 1948 is a comprehensive legislation in India aimed at regulating labor conditions in factories. It mandates health, safety, and welfare measures for workers, including provisions for clean drinking water, lighting, ventilation, and sanitation. The Act enforces strict safety regulations to prevent industrial accidents and occupational diseases, requiring regular maintenance of machinery and safety training for workers. It also limits working hours, mandates rest intervals, and specifies

minimum age limits for employment to protect children. The Act requires factories to be registered and inspected regularly to ensure compliance, and it establishes a framework for addressing grievances and disputes related to worker conditions and rights.

### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees’ and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them.

The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a lab or court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual

disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

- **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressed for workmen in different.

### **Code on Social Security, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees’ Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees’ Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

- **Employee’s State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **Employee’s Provident Fund and Miscellaneous Provisions Act, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a

state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

### **Employees' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The "CLPR Act" seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

### **Fire Prevention Laws and The National Building Code of India, 2016**

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. the National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided

therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

**Certain other laws and regulations that may be applicable to our Company in India include the following:**

- **Public Liability Insurance Act, 1991 (“PLI Act”)**

The Public Liability Insurance Act of 1991 is an Indian legislation aimed at providing compensation to victims of accidents occurring while handling hazardous substances. It mandates that industries dealing with such substances must have insurance coverage to compensate for any damages or injuries caused to the public. The Act sets out the requirements for liability insurance and the procedures for claims and compensation. It aims to ensure that businesses take responsibility for potential harm caused by their operations and provides a mechanism for affected parties to seek redress.

- **Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979**

The Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979, aims to regulate the employment and conditions of service of inter-state migrant workers in India. It requires employers to register such workers, maintain records of their employment, and ensure certain minimum conditions of work and amenities for them. The Act also provides for the licensing of contractors who recruit or employ inter-state migrant workers and imposes obligations on them regarding the payment of wages, provision of facilities, and ensuring the workers' welfare. The Act seeks to protect the rights and interests of inter-state migrant workers and prevent their exploitation.

- **Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)**

The Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) is a key piece of legislation in India designed to regulate the employment of contract labor in certain establishments and to provide for its abolition under specific circumstances. The Act aims to ensure fair wages, proper working conditions, and to prevent exploitation by stipulating the licensing of contractors and the registration of principal employers. Complementing the CLRA, the Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules) provide detailed procedures and guidelines for the implementation of the Act. These rules outline the responsibilities of contractors and principal employers, including the provision of essential amenities and welfare measures for contract laborers, thereby reinforcing the regulatory framework established by the CLRA.

- **The Foreign Trade (Development and Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992, is an Indian legislation aimed at facilitating and promoting foreign trade by implementing and managing export and import policies. The Act empowers the government to develop and regulate foreign trade through various measures, including the licensing of exporters and importers, controlling the quality of traded goods, and imposing restrictions or prohibitions on trade when necessary. It also provides a legal framework for the formulation of the Export and Import (EXIM) policy and establishes the Directorate General of Foreign Trade (DGFT) as the governing body to oversee and implement these regulations. The Act seeks to boost the Indian economy by ensuring smooth and regulated international trade operations.

## **ENVIRONMENT RELATED LAWS**

### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an “umbrella”; legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

### **The Environmental Impact Assessment Notification, 2006 (the “Notification”)**

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns

and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022' and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bylaws of the concerned State authorities.

#### **The Water (Prevention and Control of pollution) Act, 1974 (the "Water Act")**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

#### **The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")**

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

#### **The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

#### **The Municipal Solid Wastes (Management and Handling) Rules, 2000 ("Waste Management Rules, 2000") as superseded by Solid Waste Management Rules, 2016 ("Waste Management Rules, 2016")**

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

#### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules")**

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

#### **The Public Liability Insurance Act, 1991**

The Public Liability Insurance Act places responsibility on those who own or control hazardous substances for any damage resulting from accidents involving such substances. A roster of hazardous substances falling under the scope of this law is outlined through government notifications. The owner or handler of these substances is additionally mandated to acquire an insurance policy that covers liability in connection with the act. Rules established under the Public Liability Act dictate that the employer is obligated to contribute to the environmental relief fund, an amount equivalent to the premium paid for insurance policies. This contribution is payable to the insurer.

#### **The Bureau of Indian Standards Act, 2016**



The Bureau of Indian Standards Act, 2016, established the Bureau of Indian Standards (BIS) as the national standards body of India, replacing the Bureau of Indian Standards Act, 1986. The Act aims to ensure quality, safety, and reliability of products, processes, and services by providing for the harmonious development of standardization and conformity assessment. It grants BIS the authority to certify products, manage a hallmarking scheme for precious metals, and enforce standards to protect consumer interests. The Act also facilitates the promotion of standardization and quality assurance by mandating compliance with Indian Standards for various products and services, thus enhancing public health, safety, and environmental sustainability.

## **TAX RELATED LEGISLATIONS**

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

### **The Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Punjab State Tax on Professions, Trades, Callings and Employments Act, 1975**

The Punjab State Tax on Professions, Trades, Callings and Employments Act, 1975, mandates the imposition of a professional tax on individuals engaged in various professions, trades, callings, and employments within the state of Punjab, India. The Act specifies the rates of taxation, the administrative procedures for tax collection, and the responsibilities of both employers and self-employed individuals to comply with the tax requirements. It also outlines penalties for non-compliance and establishes the framework for appeals and adjudications related to the tax. The revenue generated from this tax is intended to support the state's financial resources for public welfare and development initiatives.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Trade Marks Act, 1999
- Design Act, 2000

### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for a limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **Trade Marks Act, 1999 (“TM Act”)**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **The Designs Act, 2000**

The Designs Act, 2000 is an Indian law that deals with the registration of designs, copyright in registered designs, industrial and international exhibitions, legal proceedings, powers and duties of Controller of Design, and other related matters. It came into force on May 11, 2001, and replaced the Designs Act, 1911, with some minor changes and additional provisions relating to the TRIPS Agreement. The Act defines a design as the features of shape, configuration, pattern, ornament, or composition of lines or colors applied to any article, which appeal to and are judged solely by the eye. The Act provides for the registration of designs, and by registering a design, the owner obtains certain exclusive rights over the design for a period of 15 years. The Act also prescribes an easy and clear procedure for registering one's design. However, the protection period of 15 years is seen as a disadvantage by some.

## HISTORY AND CORPORATE STRUCTURE

### **Brief history and Background of our Company:**

Our Company was originally formed as a Partnership Firm in the name and style of "M/s Auto International" under the provisions of the Indian Partnership Act, 1932 pursuant to partnership deed dated April 19, 2001. Later, pursuant to various amendments in the said partnership deed, as on April 01 2008, Rajan Mittal and Parmod Gupta were the partners of the firm. Consequently, our Firm was converted into a private limited company under the Companies Act 2013 with the name 'Forge Auto International Private Limited' pursuant to a fresh certificate of incorporation dated April 25, 2023 was issued by the Registrar of Companies, Chandigarh, Punjab bearing CIN: U25910PB2023PTC058272. Subsequently, our Company was converted into a public limited company under Companies Act with the name 'Forge Auto International Limited' pursuant to a fresh certificate of incorporation dated June 1, 2024 was issued by the Registrar of Companies, Central Processing Centre, Manesar, Gurgaon, Haryana, 122050, bearing CIN: U25910PB2023PLC058272.

Rajan Mittal and Parmod Gupta were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company's profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled "*Our Business*", "*Industry Overview*", "*Our Management*", "*Financial information of the Company*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 92, 82, 115, 131 and 175 respectively of this Red Herring Prospectus.

### **Our Locations –**

Purpose	Address
Registered Office/Factory purpose	Village Mangarh, Kohara-Machhiwara Road, Ludhiana, Punjab- 141001, India

### **Changes in Registered Office of the Company since Incorporation:**

There has not been any change in our Registered Office since incorporation till the date of this Red Herring Prospectus.

### **Main Objects of Memorandum of Association:**

The main objects of our Company as contained in our Clause III (A) of Memorandum of Association of our Company are as follows:

1. To convert a registered partnership firm "Auto International" into Private Limited Company as a going concern under Part I of Chapter XXI of the Companies Act, 2013.
2. To carry on in India or abroad the business as manufacturers, processors, fabricators, dealers, traders, distributors, exporters and importers of all types and description of forgings and forged products including Auto Parts, Tractor parts, Striking Tools, Hydraulic Parts, Agricultural Tools, Railway Parts, chain links, wheel assembly and tie rods.

### **Amendments to the Memorandum of Association:**

Except as mentioned below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of meeting	Nature of Amendment
December 19, 2023	EGM	Increase in the authorized share capital of the Company from ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹1100.00 Lakhs divided into 1,10,00,000 Equity Shares of ₹ 10/- each.
April 15, 2024	EGM	The name of the Company has been changed from "Forge Auto International Private Limited" to "Forge Auto International Limited".

### **Adopting new Articles of Association of the Company:**

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated April 15, 2024.

### **Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
2001	Started business in the form of a Partnership firm in the name and style of "M/s Auto International".
2014	Line of hammers expanded to 6 drop forged hammers
2018	Installation of first Electric Screw Press of 1600MT.
2021	Installation of second Electric Screw Press of 1000MT
2022	Awarded appreciation for timely filing of GST returns and GST payment by Central Board of Indirect taxes and Customs.
2023	Conversion of the Partnership Firm into Private Limited Company as per the provisions of the Companies Act, 2013.
2024	Conversion of Private Limited Company into Public Limited Company as per the provisions of the Companies Act, 2013.
	Awarded with Emerging MSME award by Zee PHH channels.
	Received Zed Gold award under MSME sustainable (Zed) Certification Scheme
	Received State Level Energy Conservation Award by Punjab Energy Development Agency

#### Other details about our Company:

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of manufacturing facility, technology, marketing strategy, competition and our customers, please refer section titled "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" and "**Basis for Issue Price**" on pages 92, 175 and 73 respectively of this Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "**Our Management**" and "**Capital Structure**" beginning on page 115 and 56 of the Red Herring Prospectus respectively.

#### Capital Raising (Debt / Equity):

For details in relation to our capital raising activities through equity, please refer to the chapter titled "Capital Structure" beginning on page 56 of the Red Herring Prospectus. For details of our Company's debt facilities, see "Statement of Financial Indebtedness" on page 173 of the Red Herring Prospectus.

#### Changes in activities of our Company during the last five (5) Years:

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Red Herring Prospectus.

#### Our Holding Company:

As on the date of the Red Herring Prospectus, our Company is not a subsidiary of any company.

#### Our Subsidiaries, Associates, and Joint Ventures:

As on the date of this Red Herring Prospectus, our Company does not have any associate, subsidiaries or joint ventures.

#### Shareholders Agreements:

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

#### Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation, Revaluation of Assets etc.

Our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Red Herring Prospectus.

#### Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation and location of plants:

For information on key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, please see the section titled "**Our Business**" on page 92 of this Red Herring Prospectus.

**Number of Shareholders of our Company:**

Our Company has 10 (Ten) shareholders as on the date of this Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 56 of the Red Herring Prospectus.

**Changes in the Management:**

For details of change in Management, please see chapter titled “Our Management” on page 115 of the Red Herring Prospectus.

**Injunction or Restraining Order:**

Except as disclosed in the section titled “Outstanding Litigation and Material Developments” beginning on page 184 of this Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against the Company.

**Time and Cost Overruns in Setting up Projects:**

There has been no time / cost overrun in setting up projects by our Company.

**Defaults or Rescheduling of Borrowings with Financial Institutions/Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Other Agreements:**

i. **Non-Compete Agreement:**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Red Herring Prospectus.

ii. **Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Red Herring Prospectus.

**Collaboration Agreements:**

As on date of this Red Herring Prospectus, except for the agreements entered by the Company in the normal course of our business, our Company is not a party to any collaboration agreements.

**Material Agreement:**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

**Significant Strategic or Financial Partners:**

Our Company does not have any strategic or financial partners as on the date of this Red Herring Prospectus.

**OUR MANAGEMENT****Board of Directors:**

As on the date of this Red Herring Prospectus, our Board comprises of five Directors including two Executive Directors and three Independent Directors, including two women directors.

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Red Herring Prospectus:

<b>Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality &amp; DIN</b>	<b>Date &amp; term of Appointment</b>	<b>No. of Equity Shares held &amp; % of Shareholding (Pre-Issue)]</b>	<b>Other Directorships</b>
<b>Rajan Mittal</b> <b>Father's Name:</b> Sunil Kumar Mittal <b>Age:</b> 56 years <b>Date of Birth:</b> February 20, 1968 <b>Designation:</b> Managing Director <b>Address:</b> House No. 461, Gate No. 4, Jagjit Nagar, Tharika Road, Ludhiana, Punjab, 142021, India. <b>Experience:</b> 32 years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Science <b>Nationality:</b> Indian <b>DIN:</b> 10118277	Originally Appointed as Director w.e.f. April 25, 2023  Further Change in designation as Managing Director w.e.f. June 03, 2024 for a period of 3 years. <i>(Liable to retire by rotation)</i>	33,62,000 Equity Shares [41.82%]	Nil
<b>Parmod Gupta</b> <b>Father's Name:</b> Hans Raj Gupta <b>Age:</b> 70 years <b>Date of Birth:</b> November 20, 1953 <b>Designation:</b> Chairman and Whole-time director <b>Address:</b> House No. 86, Near South City Canal Road, Country Homes West, Rajguru Nagar, Ludhiana, Punjab-141012, India. <b>Experience:</b> 48 years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Arts <b>Nationality:</b> Indian <b>DIN:</b> 10132317	Originally Appointed as Director w.e.f. April 25, 2023  Further Change in designation as Chairman and Whole-time director w.e.f. June 03, 2024 for a period of 3 years. <i>(Liable to retire by rotation)</i>	36,92,000 Equity Shares [45.92 %]	Nil
<b>Bhupinder Preet Kaur</b> <b>Father's Name:</b> Baldev Singh <b>Age:</b> 32 years <b>Date of Birth:</b> February 13, 1992 <b>Designation:</b> Non- Executive Independent Director <b>Address:</b> House No. 89/64, J Block, B.R.S. Nagar, Near Gobind Park, Ludhiana, Punjab, 141012, India. <b>Experience:</b> 7 years <b>Occupation:</b> Service <b>Qualification:</b> Master of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 09074080	Originally Appointed as Non-Executive Independent Director w.e.f. June 03, 2024 for a period of 5 years.  <i>(Not liable to retire by rotation)</i>	Nil	1. Anmol India Limited
<b>Ansh Jain</b> <b>Father's Name:</b> Manoj Jain <b>Age:</b> 33 Years <b>Date of Birth:</b> July 17, 1991 <b>Designation:</b> Non- Executive Independent Director <b>Address:</b> 90-D, Bhai Randhir Singh Nagar,	Originally Appointed as an Additional Director w.e.f. April 01, 2024  Further his appointment was regularised and was	Nil	1. Zeta Appnomics Private Limited 2. Goflex Limited

<p>Ludhiana, Punjab, 141008, India.  <b>Experience:</b> 4 years  <b>Occupation:</b> Service  <b>Qualification:</b> CS  <b>Nationality:</b> Indian  <b>DIN:</b> 10331488</p>	<p>appointed as a Non-Executive Independent Director w.e.f. June 04, 2024 for a period of 5 years   <i>(Not liable to retire by rotation)</i></p>		
<p><b>Navneet Kaur</b>  <b>Father's Name:</b> Mohinderpal Singh  <b>Age:</b> 33 years  <b>Date of Birth:</b> March 21, 1991  <b>Designation:</b> Non- Executive Independent Director  <b>Address:</b> House No. 536, Ward No. 60, Phase- 2, Urban Estate Dugri, Ludhiana, Punjab, 141003, India  <b>Experience:</b> More than 7 years  <b>Occupation:</b> Service  <b>Qualification:</b> CS  <b>Nationality:</b> Indian  <b>DIN:</b> 10279779</p>	<p>Originally Appointed as Non-Executive Independent Director w.e.f. June 03, 2024 for a period of 5 years.   <i>(Not liable to retire by rotation)</i></p>	<p>Nil</p>	<p>1. Goflex Limited</p>

**Brief Profile of Directors:**

- Rajan Mittal** is the Managing Director of our Company. He is also one of the Promoters of our Company and has been associated with our Company since its incorporation. He was also a partner in the erstwhile partnership firm “Auto International” which has been converted into our company since 2001. He holds bachelor’s degree in Science from Guru Nanak Dev University since the year 1988. He has around 32 years of experience in the field of business development and financial management and drives new investment and growth strategy besides managing day to day operations of our Company. He has been playing a pivotal role in guiding the forged & machined component business.
- Parmod Gupta** is the Chairman and Whole Time Director of our Company. He is also one of the Promoters of our Company and has been associated with our Company since its incorporation. He was also a partner in the erstwhile partnership firm “Auto International” which has been converted into our company since 2001. He holds bachelor’s degree in Arts. He has the experience of around 48 years in running the forging business. Under his leadership, the company has consolidated its strength in forging with expansions within a short span of time, he believes in developing and empowering his team of professionals for overall growth of the organization.
- Ansh Jainis** the Independent Director of our Company. He has been appointed on the Board of the Company since 2024. He is a qualified Company Secretary and is having around 4 years of working experience as a Company Secretary. He had been appointed as the Company Secretary of Alchemist Capital Limited from August 01, 2017 to November 30, 2019 and currently working in Eco Spin Yarns Private Limited as the Company Secretary w.e.f. September 01, 2023.
- Bhupinder Preet Kaur** is the Independent Director of our Company. She has been appointed on the Board of the Company since 2024. She has around 7 years of experience in the accounting and banking activities. She holds a Master degree in Commerce from Punjab University, India and also holds Integrated Professional Competence Examination certificate (IPCE) issued by ICAI passed in November 2011.
- Navneet Kaur** is the Independent Director of our Company. She has been appointed on the Board of the Company since 2024. She is a qualified Company Secretary and is having around 7 years of working experience in the field of corporate advisory & corporate compliances. She has worked in a Practicing firm as a Company Secretary from September 18, 2017 to May 20, 2019. She has also worked with different companies as Company Secretary for the period May 22, 2019 to August 16, 2023 and has also worked as Company Secretary in Majestic Hotels Limited from August 17, 2023 to February 02, 2024. Currently working as Company Secretary of Fleming Laboratories Limited w.e.f. February 03, 2024.

**Confirmations:**

As on the date of this Red Herring Prospectus:

- None of our Directors have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.

- b) Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c) None of our Directors have been identified as a willful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- d) Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations, and have not been declared as a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018.
- e) None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

#### Nature of any family relationship between our directors

Except as mentioned below, none of our Directors are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Director	Family relationship
Rajan Mittal & Parmod Gupta	Parmod Gupta is maternal uncle of Rajan Mittal

#### Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

#### Service Contracts:

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of their employment.

#### Details of Borrowing Powers of Directors

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on June 04, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100,00,00,000 (Rupees One Hundred Crores Only).

#### Compensation of our Managing Director & Whole-Time Director

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

#### Terms of Appointment of our Managing Director and Whole Time Director

Particulars	Rajan Mittal	Parmod Gupta
Appointment/Change in Designation	Originally Appointed as Director w.e.f. April 25, 2023; designated as “Managing Director” w.e.f. June 03, 2024	Originally Appointed as Director w.e.f. April 25, 2023; designated as “Chairman and Whole-time director” w.e.f. June 03, 2024



Current Designation	Managing Director	Chairman & Whole Time Director
Terms of Appointment	3 years Liable to retire by rotation	3 years Liable to retire by rotation
Remuneration & Perquisites	Upto Rs. 5,00,000 /- Per Month	Upto Rs. 5,00,000 /- Per Month
Compensation paid in the year 2023-24	Rs. 57.60 lakhs	Rs. 57.60 Lakhs

**Bonus or Profit-Sharing Plan for our Directors:**

We have no bonus or profit-sharing plan for our directors.

**Contingent or deferred compensation payable to our directors.**

There is no contingent or deferred compensation payable to our directors.

**Sitting Fees:**

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1,00,000 to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated June 17, 2024 has approved an amount of Rs. 3,000/- payable to all Independent Directors for attending each such meeting of the Board or Committee thereof.

**Shareholding of our Directors as on the date of this Red Herring Prospectus: -**

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Parmod Gupta	36,92,000	45.92
2.	Rajan Mittal	33,62,000	41.82
	<b>Total</b>	<b>70,54,000</b>	<b>87.74</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Red Herring Prospectus.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

**INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled "**Our Management**" beginning on page 115 of this Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company. Further our directors are also interested to the extent of personal guarantee given by Directors towards financial facilities of our Company. For further details, please refer to "**Financial Indebtedness**" on page 173 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "**Our Management**" or the section titled "**Financial information – Note 33 - Related Party Disclosure**" beginning on page 115 and 164 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

**Interest of Directors in the property of Our Company:**

Except for the properties acquired pursuant to the conversion of the erstwhile partnership into the Company, our directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus.

**Changes in Board of Directors in Last 3 Years**

Sr. No.	Name of Director	Date of Appointment / Re - Appointment	Reasons for Change
1.	Rajan Mittal	Appointment as an Executive Director w.e.f. April 25, 2023.	To ensure better Corporate Governance and compliance with Companies Act, 2013
2.	Parmod Gupta	Appointment as an Executive Director w.e.f. April 25, 2023.	
3.	Rajan Mittal	Redesignated as a Managing Director w.e.f. June 03, 2024 for a period of 3 years.	
4.	Parmod Gupta	Redesignated as a Chairman and Whole Time Director w.e.f. June 03, 2024 for a period of 3 years.	
5.	Bhupinder Preet Kaur	Appointed as a Non- Executive Independent Director w.e.f. June 03, 2024 for a period of 5 Years.	
6.	Ansh Jain	Appointed as a Non- Executive Independent Director w.e.f. June 04, 2024 for a period of 5 years	
7.	Navneet Kaur	Appointed as a Non- Executive Independent Director w.e.f. June 03, 2024 for a period of 5 Years.	

**COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the SME Platform of National Stock Exchange of India Limited (NSE Emerge). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committees and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Five (5) directors of which Three (3) are Independent Directors, including Two (2) women directors and Two (2) executive directors on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

**1. Audit Committee**

Our Company has formed an Audit Committee (“Audit Committee”), vide Board Resolution dated June 17, 2024, as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Navneet Kaur	Chairperson	Independent Director
Bhupinder Preet Kaur	Member	Independent Director
Ansh Jain	Member	Independent Director
Parmod Gupta	Member	Chairman & Whole Time Director
Rajan Mittal	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. **Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. **Meetings of the Committee:** The committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.
- C. **Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

**The Audit Committee shall have powers, including the following:**

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) to have full access to information contained in records of Company.

**The role of the Audit Committee shall include the following:**

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) 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;
  - 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 and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an offer (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 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;
  - a. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 12) Reviewing, with the management, the performance of statutory and internal auditors, and 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) Discussing with internal auditors on any significant findings and follow up thereon;
- 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) Discussing 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 the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) Reviewing the functioning of the whistle blower mechanism;
- 19) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 21) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

- 22) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- 23) Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178(5) and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated June 17, 2024. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Ansh Jain	Chairman	Independent Director
Navneet Kaur	Member	Independent Director
Rajan Mittal	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. **Meetings:** The Stakeholder Relationship Committee shall meet at least once in a year, and shall report to the Board on a quarterly basis regarding the status of redressal of the complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
- C. **Scope and Term of Reference:** The terms of reference of the Stakeholders Relationship Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations, 2015 and Companies Act, 2013 shall be as under:
  - 1) Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
  - 2) Review of measures taken for effective exercise of voting rights by shareholders;
  - 3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
  - 4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
  - 5) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
  - 6) To handle the grievances of the stakeholders in connection with the allotment and listing of shares;
  - 7) Ensure proper and timely attendance and redressal of investor queries and grievances;
  - 8) Carrying out any other functions contained in the Companies Act, 2013 and/or other documents (if applicable), as and when amended from time to time; and
  - 9) To perform such functions as may be delegated by the Board and to further delegate all or any of its power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
  - 10) Such terms of reference as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee pursuant to Section 178, Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated June 17, 2024. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Bhupinder Preet Kaur	Chairperson	Independent Director
Ansh Jain	Member	Independent Director
Navneet Kaur	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. **Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration, subject to at least one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
- C. **Score and Terms of Reference:**

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under

- 1) formulating 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;
- 2) for the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  1. use the services of external agencies, if required;
  2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  3. consider the time commitments of the candidates.
- 3) formulation of criteria for evaluation of the performance of independent directors and the Board;
- 4) devising a policy on diversity of our Board;
- 5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- 6) determining 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;
- 7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
- 8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- 9) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- 10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- 11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- 12) analyzing, monitoring and reviewing various human resource and compensation matters;
- 13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  1. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  2. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- 15) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

#### 4. Corporate Social Responsibility Committee

Our Company has reconstituted the Corporate Social Responsibility Committee as per the applicable provisions of the Section 135 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Resolution dated June 17, 2024. The Corporate Social Responsibility Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Rajan Mittal	Chairman	Managing Director
Ansh Jain	Member	Independent Director
Parmod Gupta	Member	Chairman & Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Corporate Social Responsibility Committee. The terms of reference of the CSR Committee include the following:

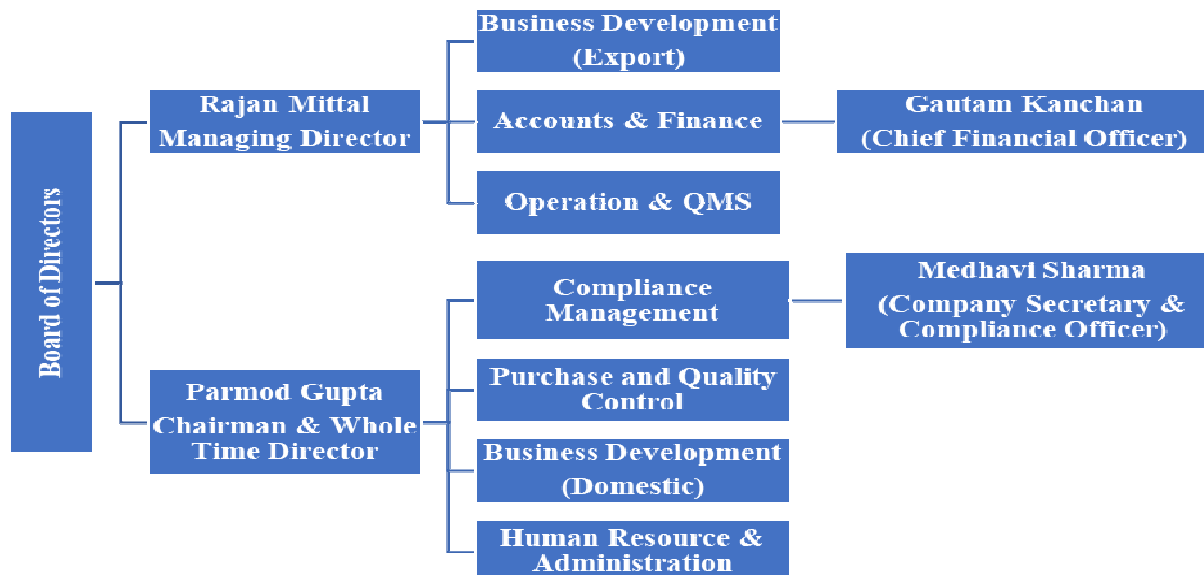
- 1) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- 2) To review and recommend the amount of expenditure to be incurred on activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013;
- 3) To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- 4) To Monitor the Corporate Social Responsibility policy of the Company from time to time;
- 5) 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.

#### Policy on Disclosures & Internal procedure for prevention of Insider Trading:

The provisions of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct for Prevention of Insider Trading conduct under the overall supervision of the Board.

#### Management Organization Structure

The following chart depicts our Management Organization Structure: -



## KEY MANAGERIAL PERSONNEL

For the details and brief profile of **Rajan Mittal**, Managing Director and **Parmod Gupta**, Chairman & Whole Time Director refer “Brief profiles of our directors” on page 115, for the details and brief profile of other Key Managerial Personnels as on the date of this Red Herring Prospectus are as set forth below:

**Gautam Kanchan** is 32 year old and is Chief Financial Officer of our Company. He has been associated with our company since June 2023. He has worked at Arora Iron & Steel Rolling Mills (P) Limited as an Associate Manager in the Finance & Accounts Department from 9th March 2021 to 31st May 2023. He has completed his graduation in Commerce from Punjab University in April 2012. He has a post qualification experience of around 11 years in the field of accounts, finance and taxation field. He has been appointed as CFO w.e.f. from June 03, 2024. In our Company, he handles accounting and finance department. During the FY2023-24, he has been paid Rs. 6.96 lakhs as remuneration.

**Medhavi Sharma** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since March 01, 2024. In our Company, she handles secretarial and compliance functions. She is a member of the Institute of Company Secretaries of India since January 2021. She has more than 3 years of experience in secretarial functions. Since, she has been appointed on March 01, 2024, she has been paid Rs. 0.15 lakhs for the FY2023-24.

### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2024.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except as under: -

Sr. No.	Name of the KMPs	No. of Shares held
1	Rajan Mittal	33,62,000
2	Parmod Gupta	36,92,000
	<b>Total</b>	<b>70,54,000</b>

- Presently, we do not have Employee Stock Option Plan (ESOP)/ Employee Stock Purchase Scheme (ESPS) for our employees.

### Turnover of KMPs/ Attrition of Employees

The firm prior to conversion was managed by the Partners of the firm, which are currently the promoter and director of the Company. Also, there has been no turnover of the Directors or KMPs which have been appointed post the incorporation of the Company.

The employee attrition rate for the last years is as per below table:-

Sr no	Particular	2022	2023	2024
1	Opening balance	194	211	258
2	Addition	38	112	116
3	Attrition	21	65	12
4	Closing balance	211	258	362
	<b>% Attrition</b>	<b>9.95%</b>	<b>25.19%</b>	<b>3.31%</b>

Note:- Attrition rate has been calculated basis the closing no of employees.

### Family relationship between KMPs

None of our KMPs are related to each other.

### Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

#### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name of Director	Designation and period	Appointment/Cessation/Re-designation	Reasons
1.	Rajan Mittal	Change in Designation as a Managing Director w.e.f. June 03, 2024 for a period of 3 years.	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance.
2.	Parmod Gupta	Change in Designation as a Chairman & Whole time Director w.e.f. June 03, 2024 for a period of 3 years.	Re-designation	
3.	Gautam Kanchan	Appointment as a Chief Financial Officer w.e.f. June 03, 2024	Appointment	
4.	Medhavi Sharma	Appointment as a Company Secretary and Compliance Officer w.e.f. March 01, 2024	Appointment	

#### Interest of Our Key Managerial Persons

Apart from the shares held in the Company held by Rajan Mittal and Parmod Gupta, to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "*Financial information – Note 33 - Related Party Disclosures*" beginning on page 164 of this Red Herring Prospectus.

#### Interest in the property of our Company

Except as disclosed in chapter titled "Our Management" beginning on page 115 of this Red Herring Prospectus, our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with ROC.

#### Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

#### Loans given/availed by Directors / Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "*Note 33 – Related Party Disclosure*" page 164 of this Red Herring Prospectus.

#### ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for our employees.



## OUR PROMOTERS & PROMOTER GROUP



### Our Promoters:

The Promoters of our Company are:

1. Rajan Mittal
2. Parmod Gupta

As on date of this Red Herring Prospectus, the Promoters, in aggregate, hold 70,54,000 Equity shares of our Company, representing 87.74% of the pre-Issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Capital Buildup in respect of Shareholding of our Promoters*", on pages 56 of this Red Herring Prospectus.

Details of our Promoters:

	<p><b>Rajan Mittal - Managing Director</b></p> <p>Rajan Mittal, aged 56 years, is one of our Promoters and is also the Managing Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions / posts held in the past and other directorships, see "Our Management –Brief biographies of Directors" on page 115.</p> <p><b>Other ventures of our Promoters</b> - Except as set out in this chapter under heading "Other ventures of our Promoters" and the chapter titled 'Our Management', our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.</p> <p>His permanent account number is ABIPM4702C.</p> <p>For details of his shareholding, please see "Capital Structure" on page 56.</p>
	<p><b>Parmod Gupta- Chairman &amp; Whole-time Director</b></p> <p>Parmod Gupta, aged 70 years, is one of our Promoters and is also the Chairman &amp; Whole-Time Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions / posts held in the past, other directorships, see "Our Management –Brief biographies of Directors" on page 115.</p> <p><b>Other ventures of our Promoters</b> - Except as set out in this chapter under heading "Other ventures of our Promoters" and the chapter titled 'Our Management', our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.</p> <p>His permanent account number is ABFPG0400J.</p> <p>For details of his shareholding, please see "Capital Structure" on page 56.</p>

### Confirmations/Declarations:

In relation to our Promoters, our Company confirms that the PAN, bank account numbers, passport numbers, Adhaar card number and driving license number shall be submitted to NSE at the time of filing of this Red Herring Prospectus.

### Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- a) Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in

- securities under any order or direction passed by SEBI or any other authority or
- b) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
  - c) No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
  - d) There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
  - e) The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 184 of this Red Herring Prospectus.
  - f) None of our Promoters, person in control of our Company is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

#### **Change in the control of our Company**

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

#### **Interest of our Promoters:**

##### ***Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Red Herring Prospectus, our Promoters, Rajan Mittal & Parmod Gupta, collectively holds 70,54,000 Equity Shares in our Company i.e. 87.74% of the pre-Issue paid up Equity Share Capital of our Company. For details regarding the shareholding of our Promoters in our Company, please see “Capital Structure” on page 56 of this Red Herring Prospectus.

Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to **Note 33 – “Related Party Disclosures”** beginning on page 164 of this Red Herring Prospectus.

##### ***Interest in the property of Our Company:***

Except for the property acquired pursuant to the conversion of the erstwhile partnership firm into our Company, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus.

##### ***In transactions for acquisition of land, construction of building and supply of machinery***

Except for the transfer of property pursuant to the conversion of the erstwhile partnership firm into the Company, none of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

##### ***Other Interests in our Company***

*For transactions in respect of loans and other monetary transactions entered in past please refer Note 33 on “Related Party Disclosures” on page 164 forming part of “Restated Financial Statements” of this Red Herring Prospectus.*

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “**Financial Indebtedness**” and “**Restated Financial Statements**” on page 173 and 131 respectively of this Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to a firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director or Promoter, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company, in respect of a firm or a company in which our Promoters are interested as a member.

For the transactions with our Promoter Group entities please refer to section titled “**Note 33 - Related Party Disclosures**” on page 164 of this Red Herring Prospectus.

Except as stated in “**Note 33 - Related Party Disclosures**” beginning on page 164 of this DRHP, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Payment or Benefits to our Promoters and Promoter Group during the last 2 years:

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph “**Compensation of our Managing Director**” in the chapter titled “**Our Management**” beginning on page 115 also refer **Note 33** on “**Related Party Disclosures**” on page 164 forming part of “**Restated Financial Statements**” and the paragraph titled “**Interest of Promoters**” under the chapter titled “**Our Promoters and Promoter Group**” on page 126 of this Red Herring Prospectus.

### Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Red Herring Prospectus.

### Companies/Firms with which our Promoters have disassociated in the last (3) three years

Our Promoters have not disassociated themselves from any company, firms or other entities during the last three years preceding the date of this Red Herring Prospectus.

### Other ventures of our Promoters

Save and except as disclosed in this section titled “**Corporate Entities or Firms forming part of the Promoter Group**” under the chapter titled “**Our Promoters & Promoter Group**” and the chapter titled “**Our Management**”, beginning on page 126 and 115 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### Experience of Promoters in the line of business

Our Promoters, Rajan Mittal has an experience of more than 32 years in the field of business development and financial management and drives new investment and growth strategy besides managing day to day operations of our Company and Parmod Gupta has an experience of more than 48 years in running the forging business.

### OUR PROMOTER GROUP:

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

#### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship	Rajan Mittal	Parmod Gupta
Father	Sunil Kumar Mittal	Late Hansraj Gupta
Mother	Late Prem Mittal	Late Bindra Wati
Spouse	Rekha Mittal	Jyoti Gupta
Brother	-	Vinod Kumar Gupta
		Amodh Kumar Gupta
Sister	Neena Trehan	Saroj Jain
	Neeru Garg	Kiran Babaram Bansal
	-	Sunita Aggarwal
		Asha Gupta
		Late Nirmal Aggarwal
Son	Siddharth Mittal	Amit Gupta
	Harshal Mittal	Rahul Gupta
	-	Rohit Gupta
Daughter	-	Sheena Bansal

Spouse's Father	Late Prakash Chandal Bansal	Late Sham Lal Jain
Spouse's Mother	Maya Wati	Satya Devi
Spouse's Brother	Surendra Bansal	Tarsem Jain
	Sushil Bansal	Rajinder Jain
	-	Darshan Jain
Spouse's Sister	Preeti Jain	Daya Agarwal
	Suman Jindal	-

**2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Entities
1.	Any Body Corporate in which 20% or more of the share capital is held by the Promoters or an immediate relative of the Promoters or a firm or HUF in which the Promoters or any one or more of his immediate relatives is a member	1. Forge Mach Auto Private Limited
2	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent or more, of the equity share capital; and	--
3	Any Hindu Undivided Family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty per cent. of the total capital;	1. Parmod Kumar Gupta and Sons HUF 2. Rajan Mittal and Sons HUF

## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on June 17, 2024. The Board shall, *inter alia*, consider certain financial, internal and external parameters before declaring dividend including level of debt, capital expenditure requirement, working capital requirement and profit earned during the year. Our Company may also, from time to time, pay interim dividends. The objective of the dividend policy is rewarding its Shareholders and retaining capital for growth and ensuring fairness, sustainability, and consistency in distributing profits to Shareholders. For details in relation to risks involved in this regard, see “**Risk Factor**” on page 24 of this Red Herring Prospectus.

The Company has not paid any dividend since its incorporation.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section entitled “**Statement of Financial Indebtedness**” on page 173 of this Red Herring Prospectus.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future.

**SECTION-VI**

**RESTATED FINANCIAL STATEMENTS OF THE COMPANY**

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

Dear Sir,

Reference: - Proposed Public Issue of Equity Shares of **Forge Auto International Limited**

We have examined the attached Restated Financial Statement of **Forge Auto International Limited** (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 22, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of Significant Accounting Policies, the notes and other explanatory Information forming part of these Restated Financial Statement (Collectively the Restated Financial Statement) as approved by the Board of Directors in their meeting held on 14<sup>th</sup> September, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus prepared by company in connection with its proposed SME Initial Public Offering (SME - IPO) of equity shares, prepared in terms of the requirement of: -

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2020) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note")

The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Draft Red Herring prospectus/Red Herring prospectus/Prospectus to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, of relevant state in connection with the proposed SME-IPO. The Restated Financial Statements have been prepared by the management of the Company for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 on the basis of notes to restatement in Annexure IV to the Restated Financial Statement. The Board of Directors of the company's responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statement. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, ICDR Regulations and the Guidance Note.

We, **Jasminder Singh & Associates**, Chartered Accountants have been subjected to the peer review process of the institute of Chartered Accountants of India ("ICAI") and hold the peer Review Certificate dated October 5, 2021.

We have examined such Restated Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 13<sup>th</sup> June, 2024 in connection with the proposed SME-IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME-IPO.

This Restated Financial Statements have been compiled by the management from:

- a) During the period of restatement up to period 31<sup>st</sup> March, 2024, since the company was having Partnership structure prior to conversion, therefore Audited financial statements of the Partnership Firm drawn as per generally accepted accounting policies in India (India GAAP) and as per the relevant provision of the Partnership Act, 1932 and after conversion into private limited company as per the relevant provision of the Companies Act, 2013.
- b) The financial statement for the period ended March 31, 2024 has been Audited by **M/s Jasminder Singh & Associates** vide their Audit Report dated 02<sup>nd</sup> September, 2024 and for year ended on March 31, 2023, has been Audited by **M/s Harpriya Garg**

**& Associates** vide their report dated and 04<sup>th</sup> Aug, 2023 and for the year ended March 31, 2022 has been Audited by M/s Naresh Gupta & Co. vide their report dated 26<sup>th</sup> Sep, 2022.

We state that no qualification in our report thereof no modification in restated financials was carried out.

a) For the purpose of the restated financial, the Audited financial were prepared basis of the schedule III requirement and as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;

b) The Restated Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

c) The Restated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial year to which they relate;

d) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;

e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report; Depreciation was recalculated since beginning as per the schedule II of the Companies Act, 2013.

f) Adjustments in Restated Financial Statement have been made in accordance with the correct accounting policies,

g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement, except -:

1) Accounting of retirement benefits was not accounted during the Partnership phase which was not as per AS-15 (Revised) "Employee benefits", however during the restatement Company has accounted such retirement benefits basis actuarial valuation certificate.

2) Depreciation has been recalculated since beginning as per the schedule II of the Companies Act, 2013 instead of Depreciation which was earlier charged as per Section 32 of Income Tax Act 1961

3) Deferred Tax assets/liabilities has been recorded in the books as per the requirement of the Accounting Standard 22 "Accounting for Taxes on Income"

h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statement,

i) The company has not paid any dividend during the financial years

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that

a) The "**Restated Statement of Assets and Liabilities**" as set out in Annexure I to this report, of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 IV to this Report.

b) The "**Restated Statement of Profit and Loss**" as set out in Annexure II to this report, of the Company for Financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

c) The "Restated Statement of Cash Flow" as set out in Annexure III to this report, of the Company for Financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Offer Document for the proposed SME-IPO.

Restated Statement of Share Capital, Reserves and Surplus	Note – 3 and 4
Restated Statement of Long Term and Short - Term Borrowings/ Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	Note-5, 5(A) and 5(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Note-6
Restated Statement of Other long-term liabilities	Note-7
Restated Statement of long-term provisions	Note-8
Restated statement of short-term borrowings	Note-9
Restated Statement of Trade Payables	Note-10
Restated Statement of Other Current Liabilities and short-term Provisions	Note-11 and 8
Restated Statement of Property, Plant and Equipment and Intangible Assets	Note-12 and 13
Restated Statement of Non-Current Investments	Note-14
Restated Statement of Long-Term Loans and Advances	Note-15
Restated statement of other non-current assets	Note-16
Restated Statement of Inventory	Note-17
Restated Statement of Trade Receivables	Note-18
Restated Statement of Cash & Cash Equivalents	Note-19
Restated Statement of Short-Term Loans and Advances	Note-20
Restated Statement of Other Current Assets	Note-21
Restated Statement of Turnover	Note-22
Restated Statement of Other Income	Note-23
Restated Statement of Cost of Material Consumed	Note-24
Restated Statement of Change in Inventories	Note-25 and 26
Restated Statement of Employee Benefits Expenses	Note-27
Restated Statement of Finance Cost	Note-28
Restated Statement of Depreciation & Amortization	Note-29
Restated Statement of Other Expenses	Note-30
Restated Statement of Contingent Liabilities	Note-31
Restated Statement of Mandatory Financial Ratio	Note-32
Restated Statement of Related Party Transaction	Note-33
Restated Statement of Other Accounting Ratios	Note-34
Restated Statement of Capitalization	Note-35
Restated Statement of Tax Shelter	Note-36
Restated Statement of Other Notes	Note-37 to 49
Significant Accounting Policy and Notes to The Restated financial Statements	Annexure IV

In our opinion and to the best of information and explanation provided to us, the Restated Financial Statement of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, **M/s. Jasminder Singh & Associates**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our peer Review Certificate is valid as on the date of signing of this report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Financial Statements along with Notes 1 to 49 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note issued by ICAI.



Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed SME-IPO of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For Jasminder Singh & Associates**  
**Chartered Accountants**  
**FRN: - 016192N**

**CA. Ashish Jindal**  
**Partner**  
**M. No. 559899**  
**Place: Ludhiana**  
**Date: 06.09.2024**  
**UDIN: 24559899BKAEUF7357**

**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Rs. Lakhs)

Particulars		Note No.	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholder's Funds</b>				
	(a) Share capital - Partner's capital	3	804.00	1,660.34	1,367.73
	(b) Reserves & surplus	4	1,276.88	-	-
<b>2</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	5	1,435.86	489.05	454.38
	(b) Deferred tax liabilities (net)	6	204.13	177.16	145.10
	(c) Other Long-term liabilities	7	363.40	-	-
	(d) Long-term provisions	8	76.86	56.58	39.96
<b>4</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	9	2,610.14	2,693.64	2,165.78
	(b) Trade payables	10			
	(i) Total outstanding dues of micro enterprises and small enterprises		368.98	304.72	137.69
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,509.66	2,470.01	1,102.04
	(c) Other current liabilities	11	259.00	254.01	196.19
	(d) Short-term provisions	8	239.77	168.78	69.06
	<b>TOTAL</b>		<b>10,148.67</b>	<b>8,274.29</b>	<b>5,677.94</b>
<b>II</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property Plant and Equipment and Intangible assets				
	(i) Property, Plant and Equipment	12	3,090.65	2,568.87	2,277.80
	(ii) Intangible assets	13	10.27	6.63	4.18
	(iii) Capital Work in Progress		27.47	-	22.03
	(iv) Intangible Assets Under Developments				
	(b) Non-current investments	14	183.50	18.80	7.00
	(c) Deferred tax assets (net)		-	-	-
	(d) Long-term loans and advances	15	521.21	6.00	8.00
	(e) Other non-current assets	16	82.67	69.36	53.74
<b>2</b>	<b>Current assets</b>				
	(a) Current investments		-	-	-
	(b) Inventories	17	3,554.02	2,119.26	1,079.33
	(c) Trade receivables	18	2,380.58	3,190.20	2,082.65
	(d) Cash and cash equivalents	19	52.39	3.45	2.73
	(e) Short-term loans and advances	20	231.89	285.58	139.81
	(f) Other current assets	21	14.02	6.14	0.67
	<b>TOTAL</b>		<b>10,148.67</b>	<b>8,274.29</b>	<b>5,677.94</b>

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT & LOSS**

(Amount in Rs. Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>I</b>	Revenue from operations (net)	22	18,011.72	17,664.85	13,287.85
<b>II</b>	Other income	23	145.58	99.58	112.43
<b>III</b>	<b>TOTAL INCOME (I + II)</b>		<b>18,157.30</b>	<b>17,764.43</b>	<b>13,400.28</b>
<b>IV</b>	<b>EXPENSES</b>				
	(a) Cost of materials and components consumed	24	11,101.82	11,291.35	7,707.82
	(b) Purchases of stock in trade		-	-	-
	(c) Changes in inventories of finished goods	25	(832.66)	(1,075.80)	2.57
	(d) Changes in work-in-progress and stock-in-trade	26	(351.10)	326.72	132.07
	(e) Employee benefit expenses	27	1,130.56	806.73	621.25
	(f) Depreciation and amortisation expenses	28	257.36	206.70	180.09
	(g) Finance costs	29	410.42	338.79	279.57
	(h) Other expenses	30	5,511.68	5,176.97	4,102.47
	<b>TOTAL EXPENSES</b>		<b>17,228.09</b>	<b>17,071.46</b>	<b>13,025.84</b>
<b>V</b>	Profit before exceptional and extraordinary items and tax (III-IV)		929.21	692.97	374.44
<b>VI</b>	Exceptional items		-	-	-
<b>VII</b>	Profit before extraordinary items and tax ( V- VI)		929.21	692.97	374.44
<b>VIII</b>	Extraordinary items		-	-	-
<b>IX</b>	Profit before tax (VII-VIII)		929.21	692.97	374.44
<b>X</b>	<b>Tax Expense:</b>				
	(a) Current tax expense		233.35	164.63	66.42
	(b) Deferred tax	6	26.99	32.04	43.68
<b>XI</b>	<b>Profit / (Loss) for the year (IX-X)</b>		<b>668.88</b>	<b>496.29</b>	<b>264.34</b>
<b>XII</b>	<b>Earning per equity share:</b>				
	(1) Basic		10.21	7.58	4.04
	(2) Diluted		10.21	7.58	4.04

## ANNEXURE III

## RESTATED CASH FLOW STATEMENT

(Amount in Rs. Lakhs)

Particulars	For the period/Year ended		
	31st March, 2024	31st March, 2023	31st March, 2022
<b>Cash flow from Operating Activities</b>			
Net Profit Before tax	929.21	692.97	374.44
Adjustments for:			
Depreciation & Amortisation Exp.	257.36	206.70	180.09
Profit/Loss On Sale of Fixed Assets (Net)	(49.50)	-	-
Bad Debts	-	-	313.20
Rental Income	(0.60)	-	-
Interest Income	(13.38)	(12.26)	(3.23)
Finance Cost	410.42	338.79	279.57
<b>Operating Profit before working capital changes</b>	<b>1,533.52</b>	<b>1,226.20</b>	<b>1,144.07</b>
<b>Changes in Working Capital</b>			
Trade receivable	809.62	(1,107.54)	(746.21)
Other Loans and advances	(11.96)	(15.87)	(2.32)
Other Current Assets	(7.88)	(5.47)	(0.40)
Inventories	(1,434.76)	(1,039.93)	282.08
Trade Payables	103.91	1,535.01	(87.11)
Other Current Liabilities	4.99	57.81	(216.21)
Short term Provisions	2.27	1.51	(0.13)
<b>Net Cash Flow from Operation</b>	<b>999.70</b>	<b>651.72</b>	<b>373.76</b>
Less: Income Tax paid	151.78	217.44	87.53
<b>Net Cash Flow from Operating Activities (A)</b>	<b>847.91</b>	<b>434.28</b>	<b>286.23</b>
<b>Cash flow from investing Activities</b>			
Purchase of Fixed Assets (Net)	(503.96)	(478.16)	(525.42)
Sale Proceeds of Fixed Assets	106.60	-	-
Purchase of Investment	(164.70)	(11.80)	(7.00)
Other non-current assets	(13.31)	(15.63)	(0.18)
Long-term loans and advances	(515.21)	2.00	174.88
Interest Income	13.38	12.26	3.23
Rental Income	0.60	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,076.60)</b>	<b>(491.35)</b>	<b>(354.49)</b>
<b>Cash Flow from Financing Activities</b>			
Increase/(Decrease) in Short Term Borrowings	(83.49)	527.85	486.97
Increase/(Decrease) in Long Term Borrowings	946.81	34.67	(157.79)
Long Term Provisions	20.29	16.61	4.32
Financial Cost	(410.42)	(338.79)	(279.57)
Addition/(Withdrawal) in Partner's Capital Account	(195.56)	(182.57)	14.20
<b>Net Cash Flow from Financing Activities (C)</b>	<b>277.63</b>	<b>57.79</b>	<b>68.14</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>48.94</b>	<b>0.71</b>	<b>(0.12)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>3.45</b>	<b>2.73</b>	<b>2.84</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>52.39</b>	<b>3.45</b>	<b>2.73</b>

## ANNEXURE-IV

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS**

The Company was originally formed as a Partnership firm in the name and style of "Auto International" under the provisions of the Partnership Act, 1932 on April 16<sup>th</sup>, 2001 with Partnership Deed. Consequently, it was converted into Private Limited Company on a going concern basis under Part -1 of Chapter XXI of the Companies Act, 2013 under the same and style of 'Forge Auto International Private Limited'. Subsequently, the Company was converted into a Public Limited Company under the Companies Act with the name 'Forge Auto International Limited' pursuant to a fresh certificate of incorporation dated June 01st, 2024 issued by the Registrar of Companies, Central Processing Centre bearing CIN: U25910PB2023PLC058272. The company is in the business of manufacturing customized closed die hot forging in carbon and alloy steel ranging from 1 Kg to 20 Kg and Aluminum forging of any grade ranging from 500 Gms to 6 kg.

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

##### **Basis of preparation of financial statements**

The Restated Statement of Assets and Liabilities of the Company as on March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period/year ended on March 31, 2024, March 31, 2023 and March 31, 2022 and the Notes thereto (collectively, the "Restated Financial Statements") have been extracted by the management from the Audited Financial Statements of the Company.

The financial statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises the Accounting Standards notified u/s S.133 read with S.469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

##### **Change in Accounting Policy**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

#### **1. Revenue Recognition**

Revenue is recognized on transfer of property in goods or on transfer of significant risks and rewards of ownership to the buyer, for a consideration, without the seller retaining any effective control over the goods.

Sales are accounted on dispatch of goods (which generally coincides with the transfer of ownership) and are exclusive of GST.

Other items of income including Interest, Discount etc. are accounted on accrual basis (depending on certainty of realization) and disclosed under the head "Other Income".

#### **2. Property, Plant & Equipment**

Property, Plants and Equipment are stated at their cost of acquisition or revalued amount (from the period when revaluation was done) less accumulated depreciation. The cost of acquisition includes freight, installation cost, duties, taxes and other incidental expenses, identifiable with the asset, incurred during the installation / construction stage in order to bring the assets

to their working condition for intended use, including borrowing costs capitalized, if any, but are net of Input Tax Credits (CENVAT, GST ITC and VAT) availed for the relevant element in the Cost.

### 3. **Depreciation**

Depreciation on assets is being provided on the Straight-Line Method on the basis of useful lives specified in Part C of Schedule II to the Companies Act, 2013. Normal Depreciation is normally debited to the Statement of Profit and Loss whereas the Depreciation on Revaluation Portion is adjusted against the respective Revaluation Reserve.

In case of those assets which were fully depreciated following the provisions of the Companies Act, 2013 and where such assets are in usable condition, the residual values of the said respective assets are considered at the maximum rate of 5%.

The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset**	Useful Life as per management's estimate
Factory Building	30
Plant & Machinery*	10-15
Electric Fittings	10
Vehicles*	8-10
Leasehold Plant & Machinery	15
Office Equipment	5
Furniture & Fixtures	10
Server	6
Computers & Software	3

\*Company is having different class of assets which is having different useful lives.

\*\*In none of the case the residual value of an asset is more than five per cent of the original cost of the asset.

### 4. **Inventory**

Raw Materials are valued 'at Cost' or Net Realisable Value, whichever is lower on FIFO basis. 'Cost' includes all duties, taxes & other expenses incurred to bring the inventories to their present location and condition.

Finished products are valued at lower of cost or net realizable value.

Semi-Finished goods have been valued at Raw Material cost increased by a proportion of overheads in consonance with the stage of completion as certified by the management.

Stock of Scrap is value at its net realizable value.

### 5. **Employee Benefits**

Employee Benefits comprise short term as well as long term defined benefit as well as defined contribution plans.

Contributions to Provident Fund and Employee State Insurance are defined contributions. The Company's Contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no further obligations beyond the periodic contributions.

Retirement Benefits in form are Gratuity are defined benefit obligations and are provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / loss is immediately taken to the Statement of Profit and Loss and are not deferred.

### 6. **Foreign Exchange Transactions**

Transactions in foreign currency, to the extent not covered by forwards contracts, are recorded in Indian Rupees at the exchange rate prevailing on the date of the transactions. Exchange gains or losses on settlement, if any, are treated as income or expenditure respectively in the Statement of Profit and Loss. Liabilities in foreign currency as well as receivables in foreign currency as on the date of the Balance Sheet have been restated into Indian rupees at the rates of exchange prevailing as on the date of Balance Sheet.

### 7. **Lease accounting**

Leases are classified as operating leases where the lesser effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis.

### 8. **Borrowing costs**

According to AS-16, the borrowing costs directly attributable to the acquisition of qualifying assets are to be capitalized for the period until the asset is ready for its intended use. A qualifying asset being, an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are to be recognized as an expense in the period in which they are incurred.

#### **9. Taxes on income**

Provision for taxation for the year under report includes provision for current tax as well as deferred tax.

Provision for Current tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

#### **10. Provisions and Contingent Liabilities**

Provisions requiring a substantial degree of estimation in measurement are recognized, if in the opinion of the Management, there is a probability that a present obligation as a result of past events will result in an outflow for the Company in the future. Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **11. Impairment of Assets**

Assessment of Impairment of Assets (as covered under AS-28 Impairment of Assets) is done as at the Balance Sheet Date considering external and internal impairment indicators. If there is an indication that an asset may be impaired, its recoverable amount is estimated and the impairment loss duly provided for.

#### **12. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **13. Use of Estimates**

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

#### **14. Accounting for Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the Company has unabsorbed depreciation or carry

forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## 15. Contingent Liabilities and Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 16. Earnings Per Share

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. For the purpose of EPS, we have considered those number of Equity shares during the entire period of restatement which were outstanding as at 31 March, 2024.

## 17. Derivatives

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company tries to limit the effects of foreign exchange rate fluctuations by following risk management policies including use of derivatives. For this the Company enters into forward exchange contracts, where the counter-party is a Bank. These forward contracts are not used for trading or speculation purposes.

In case of forward contracts, the gain or loss arising on exercise of option or settlement or cancellation are recognized in the Statement of profit and loss for the period. The forwards contracts outstanding as at the balance sheet date, if any, are marked-to-market and corresponding exchange gain or loss recognized on the same.

In case of derivative transactions in currency futures, the net gain or loss is recognized in the Statement of Profit and Loss on settlement. In case of outstanding contracts as at the balance sheet date, the same are also marked-to-market and corresponding gain / loss recognized on the same.

18. Prior Period and Extra Ordinary items and Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately.

## 2. NOTES TO RESTATED FINANCIAL STATEMENTS:

The financial statements for the year ended on 31 March 2022, 2023 and 2024 respectively are prepared as per Schedule III of the Companies Act, 2013.

1. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in Note 33 of the enclosed restated financial statements.

2. Auditors' Remuneration:

(Amount in Rs. Lakhs)

Particulars	31-03-2024	31-03-2023	31-03-2022
a. As Auditors			
Statutory Audit Fees	1.48	-	-
Tax Audit & Other Matters	0.12	0.50	0.50
<b>Total</b>	<b>1.60</b>	<b>0.50</b>	<b>0.50</b>

\* Excluding Service Tax / GST



## 3. Earnings Per Share:

**Earnings per Share have been calculated as under:****(Amount in Rs. Lakhs)**

<b>Particulars</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
A. Number of Shares at the beginning of the year/period	0.00	0.00	0.00
Shares issued during the year/period	40.20	0.00	0.00
- Allotment (Bonus Issue) *	40.20	0.00	0.00
B. Total Number of equity shares outstanding at the end of the year/period	80.40	80.40	80.40
C. Weighted average number of equity shares outstanding during the year/period (Considering Bonus Issue, if any)	65.50	65.50	65.50
D. Net profit after tax available for equity shareholders (as restated)	668.88	496.29	264.34
<b>E. Basic and Diluted earnings per share (Rs.) (D/C)</b>	<b>10.21</b>	<b>7.58</b>	<b>4.04</b>

For details, please refer to Note 34 of enclosed restated financial statements

- Figures have been rearranged and regrouped wherever practicable and considered necessary.
- The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
- Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

**(a) Defined Benefit Plan (Gratuity)****(Amount in Rs. Lakhs)**

<b>Particulars</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Change in Present Value of Defined Benefit Obligation</b>			
Present Value of Obligations as at the beginning of the Year/Period	60.73	42.60	38.39
Interest Cost	4.40	3.09	2.78
Current Cost	23.58	16.81	12.58
Benefits Paid	-5.68	-0.94	-3.61
Actuarial (gains) / losses on obligation	0.26	-0.84	-7.54
Present Value of Obligations as at the end of the Year/Period	83.29	60.73	42.60
<b>Change in Fair Value of Plan Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Fair Value of Plan Assets as at the beginning of the Year/Period	0.00	0.00	0.00
Prior Year's Adjustment	0.00	0.00	0.00
Expected Return on Plan Assets	0.00	0.00	0.00
Contributions			
Benefits Paid	-5.68	-0.94	3.61
Actuarial (gains) / losses on Plan Assets	0.26	-0.84	-7.54
Fair Value of Plan Assets as at the end of the Year/Period	-5.42	-1.78	-3.93
<b>Defined Benefit Obligation as recognized in Balance Sheet</b>			
Present Value of Obligations as at the Year/Period end	83.29	60.73	42.60
Unrecognised Past Service Cost	0.00	0.00	0.00
Fair Value of Plan Assets as at the Year/Period end	0.00	0.00	0.00
Net (Asset) / Liability recognized in Balance Sheet	83.29	60.73	42.60
<b>Net Gratuity Benefit Expenditure Recognised in P&amp;L Account</b>	<b>28.24</b>	<b>19.06</b>	<b>7.82</b>
Current Service Cost	23.58	16.81	12.58
Interest Cost	4.40	3.09	2.78

Expected Return on Plan Assets	0.00	0.00	0.00
Net Actuarial (Gain) / Loss Recognised in the Year/Period	0.26	-0.84	-7.54
Net Expense Recognised in Statement of Profit and Loss	28.24	19.06	7.82
<b>Principal Assumptions Used</b>			
Discount Rate	7.25%	7.25%	7.25%
Expected Return on Plan Assets	0.00%	0.00%	0.00%
Salary Escalation Rate	5.00%	5.00%	5.00%
<b>Major Categories of Plan Assets</b>			
<b>Insurer Managed Funds</b>	NA	NA	NA

**(b) Defined Contribution Plans**

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Employee Benefit Expenses in the Statement of profit and loss.

**8. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**9. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Annexure-IV**

**MATERIAL ADJUSTMENTS [AS PER THE ICDR REGULATIONS]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit/(losses) of the Company is as under.

**Statement of Profit and Loss after Tax**

The reconciliation of Profit/(loss) after tax as per audited results and the Profit/(loss) after tax as per Restated accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the respective year profit & losses of the company.

Particulars	31-03-2024	31-03-2023	31-03-2022
Net Profit/(loss) before Tax as per audited accounts but before adjustments for restated accounts:	<b>911.21</b>	<b>581.62</b>	<b>237.72</b>
Profit till the conversion of Partnership firm into company	18.02	-	-
Add: Gratuity expenses booked in current year	88.97	-	-
Less: Provision for Gratuity booked as per AS -15 (Revised)	(28.24)	(19.06)	(7.82)
Short/(Excess) Depreciation	(60.75)	130.39	144.55
(Short)/Excess of Deferred tax	(26.99)	(32.04)	(43.68)
(Short)/Excess Provision for Income Tax	(233.35)	(164.62)	(66.42)
<b>Net Adjustment in Profit and Loss Account</b>	<b>668.88</b>	<b>496.29</b>	<b>264.34</b>
<b>Net Profit/(Loss) After Tax as per Restated Accounts:</b>	<b>668.88</b>	<b>496.29</b>	<b>264.34</b>

**a) Adjustment of Gratuity Expenses**

Company had not accounted gratuity at all however during the restatement, Company has complied with the requirement of AS – 15 (Revised) “Employee Benefits” and accordingly booked Gratuity expenses basis of actuarial valuation report.

**b) Adjustment on account of Provision of Deferred Tax Assets:**

Due to Provision for Gratuity (Employee benefits), Difference of WDV of Fixed Assets as per Companies Act, 2013 and Income Tax Act, 1961 during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year ended at the rate of normal Tax rate applicable at the end of relevant year. For more details, refer table of Reconciliation of Statement of Profit and loss as above.

**c) Provision of Income Tax (Current/Prior Period):**

During the restatement, the Income tax provision was recalculated on restated Profit/(Loss) of respective year as per the prevailing tax rates, accordingly the effect of revised income tax provision has been made in the Restated Statement of Profit and Loss account. Short/(Excess) provision has adjusted in respective year/period.

**d) Accounting of Depreciation on Property, Plant and Equipment**

During the restatement, Company has observed that company charged depreciation rate as per section 32 of Income Tax Act, 1961. Therefore, the depreciation was recalculated revised as per Companies Act 2013, Schedule II from starting period and the difference short/(Excess) has been restated and necessary effect is given in Schedule of Property, Plant & Equipment and Opening retained earnings.

## RESTATED STATEMENT OF SHARE CAPITAL

(Amount in Rs. Lacs)

Particulars	As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
Authorised share capital						
No of Equity shares of Rs.10 each	1,10,00,000	1,100.00				
<b>Issued, Subscribed and Paid-up Share Capital</b>						
Equity shares of Rs.10 each with voting rights	80,40,000	804.00	-		-	
<b>Partner's Capital account (Fixed)</b>				1,660.36		1,367.73
<b>Total</b>	<b>80,40,000</b>	<b>804.00</b>	<b>-</b>	<b>1,660.34</b>		<b>1,367.73</b>

Partner's Capital account	31-03-2024	31-03-2023	31-03-2022
<b>Opening balance</b>	<b>1,660.34</b>	<b>1,367.73</b>	<b>1,087.34</b>
Less: - Withdrawal	(226.21)	(428.66)	(198.43)
Add: - Addition during the year	5.51	102.81	97.27
Add: -Remuneration during the period	3.20	48.00	48.00
Capital Account Balance transferred to borrowings	(1,260.88)	-	-
Gratuity diff Adj	-	0.92	3.61
WDV Adj of Sale of Asset	-	6.83	16.02
Opening adjustment for Deferred tax	-	-	-
Tax debited to Partners account	-	66.42	49.57
Adjustment of opening reserve	-	-	-
Profit for the Year till conversion of firm to Ltd Company	18.02	496.29	264.34
Loan Conversion to Equity shares	(200.00)	-	-
<b>Closing Balance</b>	<b>(0.00)</b>	<b>1,660.34</b>	<b>1,367.73</b>

## 1. Terms/rights attached to equity shares:

- The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- as at 31st March, 2024.
- Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- The Company have been formed pursuant to the conversion of the erstwhile partnership firm into the company, pursuant to which 2000000 equity shares were issued to the existing partners of the Partnership firm on 25th April, 2023.
- The Company does not have equity share capital in financial year ended March 2022 and 2023, but for the presentation purpose of various ratios, we have regrouped firm's partners capital into Paid up Share Capital & Partner's Capital account in preceding three years.
- No shares have been bought back during last 5 years immediately preceding March 31, 2024
- The company has issued bonus shares in the ratio of 1:1 on 30 March 2024.

2. The figures disclosed above are based on the restated statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. Reconciliation of the number of shares outstanding at: -

Particulars	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Rs.	Number of shares	Rs.	Number of shares	Rs.
<b>Balance as at the beginning of the year</b>			-	-	-	-
Add: Shares issued	20,00,000	2,00,00,000	-	-	-	-
Add: Bonus Shares	40,20,000	4,02,00,000	-	-	-	-
Add: Others - Conversion of loan into equity	20,20,000	2,02,00,000	-	-	-	-
<b>Balance as at the end of the year</b>	<b>80,40,000</b>	<b>8,04,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5(a). Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholders	No. of Shares	Total Value
----------------------	---------------	-------------

		As at March 31, 2024
Rajan Mittal	33,62,000	3,36,20,000
Parmod Gupta	36,92,000	3,69,20,000
Rajan Mittal and Sons HUF	8,64,000	86,40,000
<b>TOTAL</b>	<b>79,18,000</b>	<b>7,91,80,000</b>

**5(b) The % of shareholders holding more than 5% of Total Equity Shares: -**

Name of Shareholders	31-03-2024	31-03-2023	31-03-2022
Rajan Mittal	41.82%	50%	50%
Parmod Gupta	45.92%	50%	50%
Rajan Mittal and Sons HUF	10.75%	-	-
	<b>98.48%</b>	<b>100.00%</b>	<b>100.00%</b>

**6. Shares held by promoters at the end of 31st March, 2024 is given below**

Promoter Name	No. of Shares (Face Value Rs. 10/- each)	% of total shares
Rajan Mittal	33,62,000	83.63%
Parmod Gupta	36,92,000	91.84%
<b>Total</b>	<b>70,54,000</b>	

7. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**NOTE 4****RESTATED STATEMENT OF RESERVES AND SURPLUS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(A) Securities premium account</b>			
Opening balance	-	-	-
Add: Additions during the year	1,010.00	-	-
Less: Issue of Bonus share	402.00	-	-
Closing balance	608.00	-	-
<b>(B) Surplus / (Deficit) in Statement of Profit and Loss</b>			
Opening balance	-	-	-
Profit / (Loss) for the year	668.88	-	-
Closing balance	<b>668.88</b>	-	-
<b>Total</b>	<b>1,276.88</b>	-	-

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**NOTE 5****RESTATED STATEMENT OF LONG-TERM BORROWINGS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(A) Secured</b>			
<b>(A) Term loans:</b>			
(a) from banks.	1,435.86	489.05	454.38
<b>Sub-total</b>	<b>1,435.86</b>	<b>489.05</b>	<b>454.38</b>
<b>(B) Unsecured</b>			
(A) Term loans			
(a) from other parties.	-	-	-
(b) Loans and advances from related parties	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,435.86</b>	<b>489.05</b>	<b>454.38</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure – 5 (A) & 5 (B)

**Note 5A & 5B : STATEMENT OF PRINCIPAL TERMS OF SECURED & UNSECURED LOANS**

(Amount in Lakhs)

Type of Loan	Name of Lender	Related Party or Not	Purpose	Sanction Amount/ Borrowing	Initial Rate of interest	Re-payment Schedule (Months)	Balance as at 31/03/2024 (STB)	Balance as at 31/03/2024 (LTB)	Balance as at 31/03/2023 (STB)	Balance as at 31/03/2023 (LTB)	Balance as at 31/03/2022 (STB)	Balance as at 31/03/2022 (LTB)
Secured	HDFC MTL- 86698170	No	Term Loan	89.80	7.40%	60	-	-	12.45	67.20	-	-
Secured	HDFC Term Loan-85005542	No	Term Loan	352.09	7.40%	37	-	-	56.56	4.89	85.99	61.45
Secured	HDFC Term Loan-85220519	No	Term Loan	350.00	6.80%	87	-	-	35.52	234.59	42.50	270.09
Secured	HDFC Term Loan-85589821	No	Term Loan	60.00	7.00%	30	-	-	17.80	4.25	24.60	22.20
Secured	HDFC Term Loan-8117312	No	Term Loan	202.08	6.90%	49	19.87	-	71.42	19.87	65.68	91.28
Secured	HDFC Car Loan-113890697	No	Vehicle - Volvo	45.00	7.50%	36	-	-	-	9.49	15.47	9.36
Secured	HDFC Car Loan-132317314	No	Vehicle - Innova	25.68	8.00%	39	8.17	5.82	7.55	13.99	-	-
Secured	HDFC Car Loan-139792950	No	Vehicle - Innova	14.00	8.75%	39	4.25	5.86	3.89	10.11	-	-
Secured	HDFC Car Loan-150173813	No	Vehicle - BMW	49.92	9.00%	39	13.86	36.06	-	-	-	-
Secured	HDFC Car Loan-137292337	No	Vehicle- KIA	14.43	8.80%	39	4.44	5.27	4.07	9.71	-	-
Secured	Mercedes Benz Fin service -DF	No	Vehicle - Mercedes	61.00	10.75%	48	3.60	53.88	3.27	57.47	-	-
Secured	Mercedes Benz Fin service -DF	No	Vehicle - Mercedes	61.00	10.75%	48	3.60	53.88	3.27	57.47	-	-
Secured	HDFC Term Loan-88739507	No	Term Loan	72.95	8.50%	53	14.72	52.47	-	-	-	-
Secured	HDFC Term Loan-88739350	No	Term Loan	9.38	8.50%	9	4.25	-	-	-	-	-
Secured	HDFC Term Loan- 88541636	No	Term Loan	16.80	8.50%	7	4.89	-	-	-	-	-
Secured	HDFC Term Loan - 88739305	No	Term	251.27	8.50%	61	42.76	191.82	-	-	-	-

Secured	HDFC Term Loan - 89629640	No	Loan Term Loan	500.00	8.72%	60	54.56	441.11	-	-	-	-
Secured	SIDBI - D0008KW0	No	Term Loan	742.00	8.25%	72	10.31	589.69	-	-	-	-
Secured	HDFC BANK C/C 50200081869302	No	Working Capital	1,900	8.50% as on 31 March 24	Payable on demand	1,896.1 9	-	-	-	-	-
Secured	HDFC BANK LTD. A/C NO. 02592790001474	No	Working Capital	2,200		Payable on demand	-	-	931.64	-	1,572.4 7	-
Secured	SBI FCNRN RS.1200 LAKH A/C NO. 41599410690	No	Working Capital	1,200		Payable on demand	-	-	1,200.0 0	-	-	-
Unsecured	HARSHAL MITTAL	Yes	Business Loan	-	9.00%	Payable on demand	6.40	-	5.90	-	6.26	-
Unsecured	PARMOD KUMAR GUPTA-HUF	Yes	Business Loan	-	9.00%	Payable on demand	-	-	33.20	-	33.66	-
Unsecured	RAJAN MITTAL-HUF	Yes	Business Loan	-	9.00%	Payable on demand	-	-	245.60	-	221.66	-
Unsecured	SIDDHARTH MITTAL	Yes	Business Loan	-	9.00%	Payable on demand	1.63	-	1.50	-	37.48	-
Unsecured	SUNIL KUMAR MITTAL	Yes	Business Loan	-	9.00%	Payable on demand	-	-	60.00	-	60.00	-
Unsecured	PARMOD KUMAR GUPTA	Yes	Business Loan	-	9.00%	Payable on demand	233.31	-	-	-	-	-
Unsecured	RAJAN MITTAL	Yes	Business Loan	-	9.00%	Payable on demand	223.33	-	-	-	-	-
Unsecured	V.R.FINVEST PRIVATE LIMITED	No	Business Loan	60	13.20%	Payable on demand	60.00	-	-	-	-	-
<b>Total Loan</b>							<b>2,610.1 4</b>	<b>1,435.8 6</b>	<b>2,693.6 4</b>	<b>489.05</b>	<b>2,165.7 8</b>	<b>454.38</b>

Note: - Tenure & EMI instalment have been revised on conversion of partnership to company. Old Partnership Loans have been converted into new loans in September 2023 in the name of company

**NOTES 5A and 5B**

1. The Credit Facilities from HDFC bank & SBI Bank are secured by way of charge on Book Debts, Stocks (Including stock of export), FDRs, Plant and Machinery and Land & Building situated at "Village Mangarh, Kohara Machhiwara Road, Ludhiana Punjab, 141112". The facilities are also collaterally secured by way of Equitable mortgage of "House No. 461, Near G S Motors Workshop, Jagjit Nagar, Threekay Road, Ludhiana, 142021" in the name of Smt.Rekha Mittal and further collaterally secured by way of personal Guarantees of Smt. Rekha Mittal and the Directors of the Company viz. Sh. Rajan Mittal and Sh. Parmod Gupta and M/s Auto International

2. The Credit Facilities from SIDBI in the form of Medium Term Loan has been secured by way of Charge on Hypothecation of Plant & Machinery, Equipments, etc. Further the SIDBI FDR in the name of M/s Forge Auto International Pvt. Limited. has been charged as Collateral Security.

3. Vehicle loans are secured by way of Hypothecation of respective assets.

4. Unsecured Loans from Directors are taken for business purpose, during the financial years, from Directors/Promoters/Relative of Director & other Entities

5. The amount taken as Unsecured Loan from M/s V.R. Finvest Pvt. Ltd. is repayable on demand. Interest has been paid @ 13.20% per annum during the Year ended on 31st March, 2024.

The Figures disclosed above are based on the restated statement of assets and liabilities of the Company. The above statement should be read with the restated statement of assets and liabilities, restated statement of Profit and Loss, restated Cash Flow Statement and significant accounting policies and notes on account for preparation of restated Financial Statements as appearing in Annexure-I, II, III and IV respectively.

#### Corporate Guarantee

The Company has given corporate guarantee to HDFC Bank for its Group company 'Forge Mach Auto Private Limited' amounting to Rs. 2900.00 lakhs.

#### Bank guarantee

1) 47.73 lakhs has been given to Think Gas Ludhiana Private Limited by HDFC Bank on behalf of The Company, against which security of 12 lakhs in the form of Fixed Deposit Receipt (FDR) has been given to HDFC Bank.

2) 5.37 has given to Assistant Commissioner of Custom CFS Ludhiana on 22.06.2023

Note 6

Deferred Tax liability/Asset in view of Accounting Standard - 22 "Accounting for Taxes on Income " as at the end of the year is as under:

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax liability	204.13	177.15	145.10

Note 7

#### RESTATED STATEMENT OF OTHER LONG-TERM LIABILITIES

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
	Long-term	Long-term	Long-term
Lease Liability	363.40	-	-
<b>Total</b>	<b>363.40</b>	<b>-</b>	<b>-</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.



**RESTATED STATEMENT OF LONG-TERM PROVISIONS AND SHORT-TERM PROVISIONS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
(A) Provision for employee benefits	-	-	-	-	-	-
(B) Provision for Taxation	-	233.35	-	164.63	-	66.42
(C) Gratuity Provision	76.86	6.42	56.58	4.15	39.96	2.64
<b>Total</b>	<b>76.86</b>	<b>239.77</b>	<b>56.58</b>	<b>168.78</b>	<b>39.96</b>	<b>69.06</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**NOTE 9****RESTATED STATEMENT OF SHORT-TERM BORROWINGS**

(Amount in Lakhs)

Particulars	As at	As at	As at
	31 March, 2024	31 March, 2023	31 March, 2022
<b>(A) Secured</b>			
(A) Loans repayable on demand	1,896.19	2,131.64	1,572.47
(a) Loan from Banks (Current Maturity)	189.28	215.80	234.25
<b>Sub Total</b>	<b>2,085.47</b>	<b>2,347.44</b>	<b>1,806.72</b>
<b>(B) Unsecured</b>			
(A) Term loans			
(a) from other parties.	68.03	346.20	359.06
(b) Loans and advances from related parties	456.65	-	-
<b>Sub Total</b>	<b>524.67</b>	<b>346.20</b>	<b>359.06</b>
<b>Total</b>	<b>2,610.14</b>	<b>2,693.64</b>	<b>2,165.78</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.
- The terms and conditions and other information in respect of Unsecured Loans are given in Note - 5 (A) & (B)
- The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
- The company is not declared as "wilful defaulter" by any bank or financial Institution or other lender as on the reporting date.

**NOTE 10****RESTATED STATEMENT OF TRADE PAYABLES**

(Amount in Lakhs)

Particulars	As at	As at	As at
	31 March, 2024	31 March, 2023	31 March, 2022
(A) Total outstanding dues of micro enterprises and small enterprises	368.98	304.72	137.69
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,509.66	2,470.01	1,102.04
<b>Total</b>	<b>2,878.64</b>	<b>2,774.73</b>	<b>1,239.73</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. Management is in process of complying information from their suppliers regarding their status under the MSME act.
- Ageing of the Supplier, alongwith any amount involved in disputes as required by Schedule III of Companies Act, 2013 is disclosed below after it becomes due for payment. In case of no credit terms defined the break-up of agewise supplier balance is given below after considering from the date of transactions.

1. Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024

Particulars	As at 31 March, 2024					
	Less than 6 months	>6 to <12 Months	>12 to <18 Months	>18 to <24 Months	>24 to <36 Months	More than 36 months
(i) Undisputed dues - MSME	368.98	-	-	-	-	-
(ii) Undisputed dues - Others	2,509.36	0.30	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,878.34</b>	<b>0.30</b>	-	-	-	-

2. Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023

Particulars	As at 31 March, 2023					
	Less than 6 months	>6 to <12 Months	>12 to <18 Months	>18 to <24 Months	>24 to <36 Months	More than 36 months
(i) Undisputed dues - MSME	304.72	-	-	-	-	-
(ii) Undisputed dues - Others	2,465.36	4.65	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,770.08</b>	<b>4.65</b>	-	-	-	-

3. Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

Particulars	As at 31 March, 2022					
	Less than 6 months	>6 to <12 Months	>12 to <18 Months	>18 to <24 Months	>24 to <36 Months	More than 36 months
(i) Undisputed dues - MSME	137.37	0.32	-	-	-	-
(ii) Undisputed dues - Others	1,096.60	5.44	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,233.97</b>	<b>5.76</b>	-	-	-	-

**NOTE 11**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Amount in Lakhs)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Bonus Payable	21.76	31.49	24.53
Interest Payable	7.46	7.17	-
Expenses Payable	51.94	32.22	19.10
Salary/wages payable	57.79	40.31	28.11
Advance from Customers	5.18	48.26	12.65
Other Liability	9.93	0.80	-
Statutory Payables	43.55	93.74	111.80
Lease Liability	57.64	-	-
Director Remuneration Payable	3.75	-	-
<b>Total</b>	<b>259.00</b>	<b>253.99</b>	<b>196.19</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## RESTATED STATEMENT OF PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS

FY 2021-22

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01-04-2021	Addition During the year	Deduction During the year	As on 31-03-2022	As on 01-04-2021	for the year	Deduction during the year	As on 31-03-2022	As on 31-03-2022	As on 31-03-2021
<b>Property, Plant and Equipment</b>										
Building	345.04	35.60	-	380.64	28.97	11.31	-	40.28	340.36	316.07
Computers	24.21	6.16	-	30.36	17.68	4.70	-	22.38	7.99	6.53
Electric Fittings	55.85	4.69	-	60.55	8.50	5.48	-	13.98	46.56	47.35
Furnitures & Fittings	25.21	7.38	-	32.59	10.14	2.77	-	12.91	19.69	15.07
Land	81.05	7.20	-	88.25	-	-	-	-	88.25	81.05
Plant & Machinery	1,590.52	475.30	20.00	2,045.82	331.15	120.74	9.26	442.63	1,603.19	1,259.37
Vehicle	270.05	30.00	-	300.05	111.96	29.81	-	141.77	158.28	158.09
Office Equipments	13.48	10.35	-	23.82	7.39	2.96	-	10.35	13.47	6.09
<b>Total Tangible Assets</b>	<b>2,405.41</b>	<b>576.67</b>	<b>20.00</b>	<b>2,962.08</b>	<b>515.78</b>	<b>177.77</b>	<b>9.26</b>	<b>684.29</b>	<b>2,277.79</b>	<b>1,889.62</b>
Softwares- Intangible	7.30	-	-	7.30	0.80	2.32	-	3.12	4.18	6.50
<b>Total Intangible Assets</b>	<b>7.30</b>	<b>-</b>	<b>-</b>	<b>7.30</b>	<b>0.80</b>	<b>2.32</b>	<b>-</b>	<b>3.12</b>	<b>4.18</b>	<b>6.50</b>
<b>Total Assets</b>	<b>2,412.71</b>	<b>576.67</b>	<b>20.00</b>	<b>2,969.38</b>	<b>516.58</b>	<b>180.09</b>	<b>9.26</b>	<b>687.41</b>	<b>2,281.97</b>	<b>1,896.13</b>
Previous Year										

FY 2022-23

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01 April 2022	Addition During the year	Deduction During the year	As on 31 March 2023	As on 01 April 2022	for the year	Deduction during the year	As on 31 March 2023	As on 31 March 2023	As on 31 March 2022
<b>Property, Plant and Equipment</b>										
Building	380.64	3.88	0.00	384.52	40.28	12.19	0.00	52.47	332.06	340.36
Computers	30.36	14.69	0.00	45.05	22.38	4.94	0.00	27.32	17.73	7.99
Electric Fittings	60.55	0.00	0.00	60.55	13.98	5.77	0.00	19.75	40.79	46.56
Furnitures & Fittings	32.59	6.51	0.00	39.11	12.91	3.53	0.00	16.43	22.67	19.69
Land	88.25	0.00	0.00	88.25	0.00	0.00	0.00	0.00	88.25	88.25
Plant & Machinery	2045.82	271.66	0.00	2317.48	442.63	138.38	0.00	581.01	1736.47	1603.19

Vehicle	300.05	249.55	135.76	413.84	141.77	33.94	74.84	100.87	312.97	158.28
Office Equipments	23.82	9.32	0.00	33.15	10.35	4.90	0.00	15.25	17.90	13.47
<b>Total Tangible Assets</b>	<b>2962.08</b>	<b>555.62</b>	<b>135.76</b>	<b>3381.94</b>	<b>684.29</b>	<b>203.64</b>	<b>74.84</b>	<b>813.10</b>	<b>2568.85</b>	<b>2277.79</b>
Softwares- Intangible	7.30	5.51	0.00	12.81	3.12	3.07	0.00	6.19	6.63	4.18
<b>Total Intangible Assets</b>	<b>7.30</b>	<b>5.51</b>	<b>0.00</b>	<b>12.81</b>	<b>3.12</b>	<b>3.07</b>	<b>0.00</b>	<b>6.19</b>	<b>6.63</b>	<b>4.18</b>
<b>Total Assets</b>	<b>2969.38</b>	<b>561.13</b>	<b>135.76</b>	<b>3394.75</b>	<b>687.41</b>	<b>206.71</b>	<b>74.84</b>	<b>819.28</b>	<b>2575.47</b>	<b>2281.97</b>
<b>Previous Year</b>	2412.71	576.67	20.00	2969.38	516.58	180.09	9.26	687.41	2281.97	1896.13

**FY 2023-24**

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01 April 2023	Addition During the year	Deduction During the year	As on 31 March 2024	As on 01 April 2023	for the Year	Deduction during the year	As on 31 March 2024	As on 31 March 2024	As on 31 March 2023
<b>Property, Plant and Equipment</b>										
Building	384.52	0.00	0.00	384.52	52.47	12.24	0.00	64.71	319.81	332.06
Computers	45.05	12.04	0.00	57.09	27.32	8.65	0.00	35.96	21.13	17.73
Electric Fittings	60.55	11.94	0.00	72.49	19.75	6.41	0.00	26.16	46.32	40.79
Furnitures & Fittings	39.11	13.89	0.00	52.99	16.43	4.79	0.00	21.20	31.79	22.67
Land	88.25	0.00	19.19	69.06	0.00	0.00	0.00	0.00	69.06	88.25
Plant & Machinery	2317.48	195.83	0.00	2513.31	581.01	152.83	0.00	733.84	1779.47	1736.47
Plant & Machinery (Leasehold)	0.00	476.13	0.00	476.13	0.00	15.69	0.00	15.69	460.45	0.00
Vehicle	413.84	112.78	74.07	452.55	100.87	45.82	34.19	112.49	340.06	312.97
Office Equipments	33.15	10.77	0.00	43.92	15.25	6.26	0.00	21.36	22.55	17.90
<b>Total Tangible Assets</b>	<b>3381.94</b>	<b>833.39</b>	<b>93.26</b>	<b>4122.06</b>	<b>813.10</b>	<b>252.68</b>	<b>34.19</b>	<b>1031.59</b>	<b>3090.65</b>	<b>2568.85</b>
Softwares- Intangible	12.81	8.32	0.00	21.13	6.19	4.68	0.00	10.86	10.27	6.63
<b>Total Intangible Assets</b>	<b>12.81</b>	<b>8.32</b>	<b>0.00</b>	<b>21.13</b>	<b>6.19</b>	<b>4.68</b>	<b>0.00</b>	<b>10.86</b>	<b>10.27</b>	<b>6.63</b>
<b>Total Assets</b>	<b>3394.75</b>	<b>841.71</b>	<b>93.26</b>	<b>4143.20</b>	<b>819.28</b>	<b>257.36</b>	<b>34.19</b>	<b>1042.45</b>	<b>3100.92</b>	<b>2575.47</b>
<b>Previous Year</b>	2969.38	561.13	135.76	3394.75	687.41	206.71	74.84	819.28	2575.47	2281.97

**Notes -**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The company has not revalued its Property, Plant & Equipment.
3. Title deeds of all the immovable property  
The title deeds of all the immovable property are held in the name of the company.

## Note 14

**RESTATED STATEMENT OF NON- CURRENT INVESTMENTS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Investments in</b>			
Mutual Funds	33.50	18.80	7.00
FDR with Bank	150.00	-	-
<b>Total</b>	<b>183.50</b>	<b>18.80</b>	<b>7.00</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.
- Investments are made in Quoted Mutual funds and valued at cost unless there is a permanent diminution.

## Note 15

**RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured advances: Considered Good</b>			
Other Loans and Advances	356.11	-	-
Advance to capex suppliers	165.10	6.00	8.00
<b>Total</b>	<b>521.21</b>	<b>6.00</b>	<b>8.00</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 16

**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Security Deposits	82.67	69.36	53.74
<b>Total</b>	<b>82.67</b>	<b>75.36</b>	<b>61.74</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 17

**RESTATED STATEMENT OF INVENTORIES**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Raw Materials	362.36	382.48	234.17
Work In Process	697.68	346.57	673.29
Finished goods	1,914.16	1,081.51	5.71
Stores and spares	579.82	308.70	166.16
<b>Total</b>	<b>3,554.02</b>	<b>2,119.26</b>	<b>1,079.33</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.
- Inventory has been physically verified by the management of the Company at the end of respective year.

## RESTATED STATEMENT OF TRADE RECEIVABLES

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Trade Receivables			
Secured - Considered Good			
a) Less than six months	-	-	-
b) More than six months	-	-	-
Unsecured - Considered Good			
b) Less than six months	2,234.52	3,116.01	2,013.72
a) More than six months	77.12	5.26	-
Unsecured - Considered Doubtful			
b) Less than six months	-	-	-
a) More than six months	68.93	68.93	68.93
Less: Provision for Bad and Doubtful Debts	-	-	-
<b>Total</b>	<b>2,380.58</b>	<b>3,190.20</b>	<b>2,082.65</b>

- The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.
- As on 31st March, 2024, Company is having aggregate outstanding balance of Rs 68.93 Lakhs, which has been considered as doubtful against which Rs Nil provision for bad and doubtful debts in F.Y 23-24.
- Ageing of the Trade receivable, alongwith any amount involved in disputes, if any as required by Schedule III of Companies Act, 2013 is disclosed as below. Ageing of debtors is based on the date of transaction in case there is no credit period agreed at the time of Supply.

Trade Receivable Ageing Schedule

As On: 31/03/2024

Particulars	Outstanding for following periods from due date of payment						Total (Rs.)
	Not Due	< 6 Mths	6 Mts - 1 Yr	1 - 2 Yrs	2 - 3 Yrs	> 3 Yrs	
<b>(a)Undisputed</b>							
Considered Good	-	2,234.52	76.96	0.16	-	-	2,311.65
Considered Doubtful	-	-	-	-	-	-	-
<b>(b)Disputed</b>							

Considered Good	-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	68.93	68.93
<b>TOTAL</b>	-	<b>2,234.52</b>	<b>76.96</b>	<b>0.16</b>	-	<b>68.93</b>	<b>2,380.58</b>
							<b>As On: 31/3/2023</b>
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>						<b>Total (Rs.)</b>
	<b>Not Due</b>	<b>&lt; 6 Mths</b>	<b>6 Mts - 1 Yr</b>	<b>1 - 2 Yrs</b>	<b>2 - 3 Yrs</b>	<b>&gt; 3 Yrs</b>	
<b>(a)Undisputed</b>							
Considered Good	-	3,116.01	5.26	-	-	-	3,121.27
Considered Doubtful	-	-	-	-	-	-	-
<b>(b)Disputed</b>							
Considered Good	-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	68.93	68.93
<b>TOTAL</b>	-	<b>3,116.01</b>	<b>5.26</b>	-	-	<b>68.93</b>	<b>3,190.20</b>
							<b>As On: 31/3/2022</b>
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>						<b>Total (Rs.)</b>
	<b>Not Due</b>	<b>&lt; 6 Mths</b>	<b>6 Mts - 1 Yr</b>	<b>1 - 2 Yrs</b>	<b>2 - 3 Yrs</b>	<b>&gt; 3 Yrs</b>	
<b>(a)Undisputed</b>	-	-	-	-	-	-	-
Considered Good	-	2,013.72	0.00	-	-	-	2,013.72
<b>(b)Disputed</b>							
Considered Good	-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	68.93	68.93
<b>TOTAL</b>	-	<b>2,013.72</b>	<b>0.00</b>	-	-	<b>68.93</b>	<b>2,082.65</b>



## Note 19

**RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Balance with Banks	50.96	0.46	-
Cash In Hand	1.43	2.99	2.73
<b>Total</b>	<b>52.39</b>	<b>3.45</b>	<b>2.73</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

According to management, fixed deposit is having maturity below 12 months, and accordingly basis of their maturity pattern, such fixed deposits shown in Current & Non-Current Investments.

## Note 20

**RESTATED STATEMENT OF SHORT-TERM LOAN AND ADVANCES**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Loans & Advances	14.99	16.93	14.73
Advance tax	151.78	217.44	87.53
Prepaid assets	44.76	34.59	24.46
Balance with Revenue authorities	20.22	16.49	13.09
Employee Advances	0.14	0.14	-
<b>Total</b>	<b>231.89</b>	<b>285.59</b>	<b>139.81</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

## Note 21

**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Amount in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Advance to Suppliers	2.89	2.61	0.67
Interest Receivable	4.94	2.48	-
Others	6.19	1.05	-
<b>Total</b>	<b>14.02</b>	<b>6.14</b>	<b>0.67</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 22

**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sales of Goods	15,629.38	15,368.08	11,653.86
Export Sales	1,035.92	850.07	431.19
Sale of Scrap	1,346.42	1,441.95	1,202.39
Job Work	-	4.75	0.41
	<b>18,011.72</b>	<b>17,664.85</b>	<b>13,287.85</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 23

**RESTATED STATEMENT OF OTHER INCOME**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Commission Received	-	-	3.34
Draw Back Received	14.53	13.94	7.04
Electricity Subsidy-Pspcl	-	-	90.77
Export Incentive (Meis/Rodtep)	9.25	7.59	3.69
Foreign Exchange Fluctuation	19.90	18.10	4.37
Incentive Received- (Invest Punjab)	34.52	47.69	-
Interest Income	8.19	4.77	2.25
Miscellaneous Income	5.18	7.49	0.97
Profit On Sale of Fixed Assets	53.41	-	-
Rental Income	0.60	-	-
	<b>145.58</b>	<b>99.58</b>	<b>112.43</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 24

**RESTATED STATEMENT OF COST OF MATERIALS & COMPONENTS CONSUMED**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Stock of Raw Material	691.18	400.33	547.77
Add: Purchases	11,352.83	11,582.20	7,560.38
Goods Purchases-Raw Materials	11,352.83	11,582.20	7,560.38
Less: Closing Stock of Raw Material	942.18	691.18	400.33
	<b>11,101.82</b>	<b>11,291.35</b>	<b>7,707.82</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 25

**RESTATED STATEMENT OF CHANGES IN INVENTORY OF FINISHED GOODS**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Stock of Finished Goods	1,081.51	5.71	8.28
Total	<b>1,081.51</b>	<b>5.71</b>	<b>8.28</b>
Less: Closing Stock of Finished Goods	1,914.16	1,081.51	5.71
Total	<b>1,914.16</b>	<b>1,081.51</b>	<b>5.71</b>
Total	<b>(832.66)</b>	<b>(1,075.80)</b>	<b>2.57</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

## Note 26

**RESTATED STATEMENT OF CHANGES IN WORK-IN-PROGRESS AND STOCK IN TRADE**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Stock of WIP	346.57	673.29	805.36
Total	<b>346.57</b>	<b>673.29</b>	<b>805.36</b>
Less: Closing Stock of WIP	697.68	346.57	673.29
Total	<b>697.68</b>	<b>346.57</b>	<b>673.29</b>
	<b>(351.10)</b>	<b>326.72</b>	<b>132.07</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**NOTE 27**

**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salary And Wages	929.72	688.41	519.20
Contribution To Provident Fund and Esic	34.44	35.00	32.01
Director Remuneration	115.20	48.00	48.00
Gratuity Expenses	28.24	20.00	11.43
Labour Welfare Fund	0.68	0.53	0.42
Staff Welfare Expenses	22.29	14.79	10.19
<b>Total</b>	<b>1,130.56</b>	<b>806.73</b>	<b>621.25</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**Note 28**

**RESTATED STATEMENT OF DEPRICIATION AND AMORTIZATION EXPENSES**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation And Amortization Expenses	257.36	206.70	180.09
<b>Total</b>	<b>257.36</b>	<b>206.70</b>	<b>180.09</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**Note 29**

**RESTATED STATEMENT OF FINANCE COSTS**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest On Capital	5.32	102.81	94.98
Interest On Loan	238.37	186.15	140.95
Interest On Finance Lease (Siemens)	31.77		
Bank Charges	47.87	10.32	3.26
Interest Others	87.08	39.51	40.38
<b>Total</b>	<b>410.42</b>	<b>338.79</b>	<b>279.57</b>

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**Note 30**

**RESTATED STATEMENT OF OTHER EXPENSES**

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Advertisement Expenses	2.92	4.11	1.31
Audit Fees	1.60	0.50	0.50
Bad Debts A/C	-	-	313.20
Cash Discount	77.95	45.71	-
Commission	13.63	10.26	12.91

Consumables And Spares	1,446.67	1,093.06	786.41
Donation	3.77	6.32	0.28
Electricity Expenses	662.23	568.84	526.31
Exhibition Expenses	19.76	17.13	-
Fees & Subscription	6.48	5.15	5.27
Freight And Forwarding Charges	202.27	147.86	102.47
Fuel Expenses	1,039.72	1,121.92	801.03
House Keeping Charges	12.90	6.72	8.11
Insurance Expenses	14.99	13.33	14.68
Internet Expenses	1.03	-	-
Lab Expenses	9.70	7.52	6.28
Labour Expenses	1,442.92	1,454.66	1,122.49
Loading & Unloading Exp.	13.19	8.00	6.81
Loss On Sale of Fixed Assets	3.91	-	-
Miscellaneous. Expenses	8.73	9.83	8.04
Mobile Expenses	-	1.06	1.17
Postage & Couriers	3.81	1.39	1.55
Printing & Stationery	7.78	8.42	5.42
Professional And Legal Expenses	73.30	29.40	24.19
Rates & Taxes	4.57	7.63	0.35
Rebate & Discount	20.55	192.94	22.86
Relocation Expenses	1.13	-	-
Rent	8.13	20.97	-
Repair & Maintenance Building	15.88	18.80	25.29
Repair & Maintenance Computers	4.92	4.24	4.12
Repair & Maintenance Machinery	255.06	295.59	237.63
Repair & Maintenance Others	3.18	5.38	17.63
Sales Promotion	2.54	3.24	0.27
Security Service Charges	13.03	2.54	-
Shipping Charges	50.35	31.85	39.62
Telephone Expenses	1.75	0.96	1.51
Travelling Expenses	61.35	31.63	4.75
	<b>5,511.68</b>	<b>5,176.97</b>	<b>4,102.47</b>

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II III and IV.

**Note 31**

**RESTATED STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS**

(Amount in Lakhs)

Particulars	As At 31st March 2024	As at 31st March 2023	As at 31st March 2022
<b>(a)Contingent liabilities in respect of:</b>			
Claims against the company not acknowledged as debts	-	-	-
Guarantees given on Behalf of the Company	53.10	47.73	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-
Guarantees given by the Company	2,900.00		
TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon	-	-	-
Estimated number of contracts remaining to be executed on capital account and not provided for	-	-	-
Income Tax Outstanding Demand	-	-	-
Service Tax Demand	-	-	-
<b>(b) Commitments</b>			
	<b>2,953.10</b>	<b>47.73</b>	-

Company has provided the Corporate Guarantee to HDFC Bank on the behalf of Forge Mach Auto Pvt. Ltd. (Group Company) for Rs. 2900.00 Lakhs

## RESTATED STATEMENT OF OTHER FINANCIAL RATIO

(Amount in Lakhs)

	Name of Ratio	Numerator/Denominator	As At 31st March 2024	As at 31st March 2023	As at 31st March 2022
1	Current Ratio (in times)	Total Current Assets Total Current Liabilities	1.04	0.95	0.90
2	Debt Equity Ratio (in times)	Short Term Borrowings + Long Term borrowings Total Equity	1.94	1.92	1.92
3	Debt Service Coverage Ratio (In times)	Earning for Debt Service (PAT + Depreciation + Interest + Other Non-Cash Expenses) Total Debt Service (Interest + Finance Lease Payments + Principal Repayment)	1.97	1.85	1.47
4	Return on Equity Ratio (%)	Profit after Tax Avg Shareholder's Equity	35.76%	32.78%	21.53%
5	Inventory Turnover Ratio (in times)	Net Sales Average Inventory	6.35	11.05	10.89
6	Trade Receivables Turnover Ratio (In times)	Net Sales Average Trade Receivables	6.47	6.70	7.12
7	Trade Payables Turnover Ratio (In times)	Net Purchase Average Trade Payables	4.02	5.77	5.89
8	Net Capital Turnover Ratio (In times)	Net Sales Average Working Capital	-875.67	-54.18	-36.70
9	Net Profit Ratio (%)	Net Profit (After Tax) for the Year Total Revenue	3.68%	2.79%	1.97%
10	Gross Profit Ratio (%)	Gross Profit for the Year Net Sales	16.52%	14.01%	14.09%

11	Return on Capital Employed (%)	PBT + Finance Cost (EBIT) Capital Employed	17.60%	18.36%	13.03%
12	Return on Investment (%)	Net Profit after tax Total Assets	6.59%	6.00%	4.66%

**Variance Analysis for the FY 2023-24**

Sr No	Ratio	Variance	Reason for more than 25% Variance
1	Inventory Turnover Ratio (in times)	-42.51%	Due to Huge Investment in Stock
2	Trade Payables Turnover Ratio (In times)	-30.40%	Due to Increase in Creditors against the Investment in Stock
3	Net Capital Turnover Ratio (In times)	1516.18%	Due to Huge Investment in Stock
4	Net Profit Ratio (%)	31.86%	Due to Higher Revenue and Lower Consumption cost

**Variance Analysis for the FY 2022-23**

Sr No	Ratio	Variance	Reason for more than 25% Variance
1	Return on Equity Ratio (%)	52.22%	Due to Huge Increase in Profitability
2	Net Capital Turnover Ratio (In times)	47.63%	Due to Huge Increase in Revenue
3	Net Profit Ratio (%)	41.62%	Due to Improvement in Overall Profitability
4	Return on Capital Employed (%)	40.91%	Due to Improvement in Overall Profitability
5	Return on Investment (%)	28.83%	Due to Improvement in Overall Profitability

**Variance Analysis for the FY 2021-22**

Sr No	Ratio	Variance	Reason for more than 25% Variance
1	Debt Service Coverage Ratio (In times)	56.47%	Due to Huge Increase in Profitability
2	Return on Equity Ratio (%)	163.71%	Due to Huge Increase in Profitability
3	Net Capital Turnover Ratio (In times)	-280.31%	Due to High Revenue with lesser Working Capital
4	Net Profit Ratio (%)	34.86%	Due to Improvement in Overall Profitability
5	Return on Investment (%)	53.90%	Due to Improvement in Overall Profitability

**Note 33**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTION**

(Amount in Lakhs)

**Lis of Related Parties as per AS – 18**

	<b>Names of related parties</b>	<b>Nature of Relationship</b>
Directors and Key Management Personnel (KMP)	Rajan Mittal	Director
	Parmod Gupta	Director
	Gautam Kanchan	Chief Financial Officer
	Medhavi Sharma	Company Secretary
Relatives of Directors	Rajan Mittal and Sons (HUF)	HUF of Director
	Parmod Gupta and Sons (HUF)	HUF of Director
	Siddharth Mittal	Son of Director
	Harshal Mittal	Son of Director
	Sunil Kumar Mittal	Father of Director
	Rohit Gupta	Son of Director
	Rekha Mittal	Wife of Director
	Shikha Gupta	Daughter In-Law of Director
	Nidhi Gupta	Daughter In-Law of Director
	Ambika Gupta	Daughter In-Law of Director
Related Company/Firm	Kamika International	Partnership firm of Director's Son
	Forge Mach Auto Pvt Ltd.	Director's Sons are Directors

**(v) Transactions with Current Capital Account****1. Rajan Mittal**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening Current	<b>551.18</b>	<b>503.62</b>	<b>418.25</b>
Opening Capital (Fixed)	<b>100.00</b>	-	-
Remuneration	1.60	24.00	24.00
Capital Introduced	0.19		2.29
Withdrawal	(113.51)	(315.63)	(104.99)
Share of Profit	9.01	290.81	118.86
Interest paid	2.53	48.38	45.21
Transferred to Equity Share Capital	(100.00)		
Transferred to Loan Account	(450.99)		
<b>Closing balance (Dr)/Cr.as on 31.03.2024</b>	<b>0.00</b>	<b>551.18</b>	<b>503.62</b>

Remuneration paid after converting into company

**56.00****2. Parmod Gupta**

<b>Parmod Gupta</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening Current	<b>610.28</b>	<b>554.07</b>	<b>454.88</b>
Opening Capital (Fixed)	100.00	-	-
Remuneration	1.60	24.00	24.00
Capital Introduced	-	-	-
Withdrawal	(112.70)	(313.03)	(93.44)
Share of Profit	9.01	290.81	118.86
Interest paid	2.80	54.44	49.77
Transferred to Equity Share Capital	(100.00)		
Transferred to Loan Account	(510.99)		
<b>Closing balance (Dr)/Cr.as on 31.03.2024</b>	<b>0.00</b>	<b>610.28</b>	<b>554.07</b>

Remuneration paid after converting into company

**56.00****(vi) Transactions with Directors & KMP****1. Rajan Mittal**

	<b>31-Mar-24</b>
Dividend Paid	-
<b>Loan Transactions</b>	
Opening balance of Loan taken by the Company	450.99
Loan Taken by the Company	13.59
Loan Repaid by the Company	(79.04)
Interest on Loan paid	26.35

Loan Converted into equity	(410.40)
<b>Closing Balance (cr)</b>	<b>1.49</b>

**2. Parmod Gupta**

	<b>31-Mar-24</b>
Dividend Paid	-
<b>Loan Transactions</b>	
Opening balance of Loan taken by the Company	510.99
Loan Taken by the Company	28.91
Loan Repaid by the Company	(48.75)
Interest on Loan paid	30.92
Loan Converted into equity	(510.60)
<b>Closing Balance (cr)</b>	<b>11.47</b>

**3. Gautam Kanchan**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Salary paid during the years	5.70	-	-

**4. Medhavi Sharma**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Salary paid during the years	0.15	-	-

(vii) Transaction with Relatives of Directors and Enterprises in which Directors/Relatives of Directors can exercise significant influence

**1. Rajan Mittal and Sons (HUF)**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance of Loan taken by the Company	245.60	221.66	200.52
Loan Taken by the Company	-	-	-
Loan Repaid by the Company	-4.14	-2.66	-2.90
Interest on Loan paid	17.14	26.60	24.04
Loan Converted into equity	-258.60		
<b>Closing Balance (cr)</b>	<b>-</b>	<b>245.60</b>	<b>221.66</b>

**2. Parmod Gupta and Sons (HUF)**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance of Loan taken by the Company	33.21	33.66	33.85
Loan Taken by the Company	6.00	-	-
Loan Repaid by the Company	(8.86)	(4.24)	(3.98)
Interest on Loan paid	2.06	3.78	3.79
Loan Converted into equity	(32.40)		
<b>Closing Balance (cr)</b>	<b>-</b>	<b>33.21</b>	<b>33.66</b>

**3. Siddharth Mittal**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance of Loan taken by the Company	1.50	37.48	25.67
Loan Taken by the Company	-	5.23	21.72
Loan Repaid by the Company	(0.01)	(42.44)	(13.40)
Interest on Loan paid	0.14	1.22	3.49
<b>Closing Balance (cr)</b>	<b>1.63</b>	<b>1.50</b>	<b>37.48</b>

Salary paid during the years	12.00	18.00	15.00
Commission paid	5.75	0.00	0.00

**4. Harshal Mittal**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Opening balance of Loan taken by the Company	5.90	6.26	5.65
Loan Taken by the Company	-	0.38	-
Loan Repaid by the Company	(0.06)	(1.45)	(0.07)
Interest on Loan paid	0.56	0.71	0.68
<b>Closing Balance (cr)</b>	<b>6.40</b>	<b>5.90</b>	<b>6.26</b>



**5. Sunil Kumar Mittal**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance of Loan taken by the Company	60.00	60.00	60.00
Loan Taken by the Company	-	-	-
Loan Repaid by the Company	(60.00)	(7.20)	(7.20)
Interest on Loan paid	-	7.20	7.20
<b>Closing Balance (cr)</b>	<b>-</b>	<b>60.00</b>	<b>60.00</b>

**6. Rohit Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	12.00	-	-
Commission paid	5.84	-	-

**7. Rekha Mittal**

<b>Rekha Mittal</b>	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	12.00	4.00	-

**8. Shikha Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.40	-

**9. Nidhi Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.40	-

**10. Ambika Gupta**

	31-Mar-24	31-Mar-23	31-Mar-22
Salary paid during the years	6.00	3.70	-

(viii) **Transaction with Related firm**

**1. Kamika International**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance	6.20	-	(3.54)
Revenue from Operation (Sale of goods)	158.09	8.52	0.59
Revenue from Operation (Job work)	(6.19)	(18.23)	(20.84)
Receipt - for sale of goods	(161.33)	-	(0.12)
Payment for Job work	1.42	15.90	23.91
<b>Closing Balance (Receivable/(Payable))</b>	<b>(1.82)</b>	<b>6.20</b>	<b>-</b>

**2. Forge Mach Auto Pvt Ltd.**

	31-Mar-24	31-Mar-23	31-Mar-22
Opening balance	0	-	-
Loan given by the Company	936.65	-	-
Loan repaid by FMAPL	-583.00	-	-
Sale/Rent Income	2.46	0.56	-
<b>Closing Balance (Receivable/(Payable))</b>	<b>356.11</b>	<b>-</b>	<b>-</b>

Note 34

**RESTATED SUMMARY OF SIGNIFICANT ACCOUNTING RATIOS**

(Amount in Lakhs)

<b>Ratios</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Face Value per equity Share (in Rs.)	10.00	10.00	10.00
Restated PAT as per Statement of Profit & Loss (Rs. in lakhs)	668.88	496.29	264.34
Weighted Average Number of Equity Shares for calculating Basic and diluted EPS at the end of the Year (after adjustment of bonus shares)	65.50	65.50	65.50
No. of equity shares at the end of the year	80.40	80.40	80.40
Restated Net Worth (Rs. in lakhs)	2,080.88	1,660.36	1,367.73

<b>Return on Net Worth (%)</b>	32.14%	29.89%	19.33%
<b>Restated Basic &amp; Diluted Earnings Per Share (EPS)</b>	10.21	7.58	4.04
Net Asset Value Per Share (Rs) - based on actual number of shares outstanding at the end of the year	25.88	20.65	17.01
Net Asset Value Per Share (Rs) - based on weighted average number of shares outstanding at the end of the year	31.77	25.35	20.88
Current Assets (CA)	6,232.91	5,604.63	3,305.19
Current Liabilities (CL)	5,987.55	5,891.15	3,670.76
Current Ratio (CA/CL)	1.04	0.95	0.90

**Notes –**

**1. The ratios have been Computed as per the following formulas**

**i) Basic and Diluted Earnings per Share =**

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equities shares outstanding at the end of the year / period}}$$

**ii) Net Asset Value (NAV) per Equity Share**

$$\frac{\text{Restated Net worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

**iii) Return on Net Worth (%)**

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Network of Equity Share Holders}}$$

- Net Worth means the aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;
- Earning per share calculations are done in accordance with Accounting Standard 20 "Earning Per Share", issued by the Institute of Chartered Accountants of India.
- Net Profit and Network as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.
- Basic and Diluted EPS for the Year ended 31st March, 2024 are not annualized.

**NOTE 35**

**CAPITALISATION STATEMENT**

(Amount in Lakhs)

Particulars	Pre-Issue	Post-Issue *
	As on 31 March, 2024	
	Rs.	Rs.
Debt		
Short Term Debt	2,610.14	[•]
Long Term Debt	1,435.86	[•]
<b>Total Debt</b>	<b>4,046.00</b>	[•]
Shareholders' Fund (Equity)		[•]
Share Capital	804.00	[•]
Reserves & Surplus	1,276.88	[•]
Less: Miscellaneous Expenses not w/off		[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>2,080.88</b>	[•]
Long Term Debt/Equity	<b>0.69</b>	[•]
Total Debt/Equity	<b>1.94</b>	[•]

(\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

- Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months.
- Long term Debts represent debts other than short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities.
- The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at March 31,2024

## RESTATED STATEMENT OF TAX SHELTER

(Amt. in Rs. Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Restated Profit before tax (A)	929.21	692.97	374.44
Tax Rate (%)	27.82%	27.82%	27.82%
Tax at notional rate on profits	258.51	192.78	104.17
<b>Adjustments:</b>			
<b>Permanent Differences(B)</b>			
<b>Expenses disallowed under Income Tax Act, 1961</b>			
Disallowed/(Allowed) under Section 43B	-	3.91	-
Gratuity Provision	22.56	18.12	4.21
Donation/CSR	2.20	3.32	0.28
Amount disallowable under Sec 37	-	2.89	0.04
Amount disallowable under Sec 36	-	-	0.73
Amount disallowable/(Allowed) under Sec 28 to 44AD	0.03	-	-
(Profit)/Loss on Sale of Fixed Assets	(49.50)		
<b>Total Permanent Differences(B)</b>	<b>(24.71)</b>	<b>28.24</b>	<b>5.26</b>
<b>Income considered separately (C)</b>	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-
<b>Timing Differences (D)</b>			
Book Depreciation	257.36	206.70	180.09
Income Tax Depreciation Allowed	320.47	337.09	324.64
Intt on Lease	31.77		
Rent paid on Leased Asset	58.30		
<b>Total Timing Differences (D)</b>	<b>(89.63)</b>	<b>(130.39)</b>	<b>(144.55)</b>
<b>Net Adjustments E = (B+D)</b>	<b>(114.34)</b>	<b>(102.15)</b>	<b>(139.29)</b>
<b>Tax expense / (saving) thereon</b>	<b>(31.81)</b>	<b>(28.42)</b>	<b>(38.75)</b>
<b>Income from Other Sources (F)</b>	-	-	-
<b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>	-	-	-
<b>Deduction under Chapter VIA(H)</b>	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G-H)</b>	<b>814.87</b>	<b>590.81</b>	<b>235.14</b>
	Opted for 115BAA hence MAT is not applicable		
<b>Tax as per Normal Calculation</b>	233.35	164.63	66.42

## Additional information to the financial statements.

Note – 37 -Value of imports calculated on C.I.F basis by the company during the financial year in respect of

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Raw Materials	-	-	-

Note – 38 -Expenditure in Foreign Currency: -

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Foreign Travel	11.63	-	-

Total value of all imported and Indigenous raw materials, spare parts and components consumed during the financial year and the total value of all raw materials, spare parts and components similarly consumed;

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March
-------	-------------	---------------------------------------	------------------------------	------------------------

				31, 2022
1	Imported	-	-	-
2	Indigenous	11,101.82	11,291.35	7,707.82
	<b>TOTAL</b>	<b>11,101.82</b>	<b>11,291.35</b>	<b>7,707.82</b>

**Note – 39 Earnings in foreign exchange**

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Export of Goods on FOB basis	990.68	820.67	403.73

**Note – 40 Disclosures related to Micro, Small and Medium Enterprises**

Management is in the process of compiling information from its suppliers regarding their status under the MSEME act, who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2003 and hence disclosure, if any, of the amount unpaid as at the year-end together with the interest paid/payable as required has been given to the extent information available;

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	368.98	304.72	137.69
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

**Note – 41 Leases**

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Interest paid on Finance Lease recognized in the Statement of Profit and Loss	31.77	-	-
2	Depreciation charged on Leasehold Asset recognized in the Statement of Profit and Loss	15.69		

**Note – 42 Unhedged Foreign Exchange exposure as on year end are as under**

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Buyers Credit from Banks	-	-	-
2	Sundry Creditors	-	-	-
3	Sundry Debtors	330.85	307.34	99.07
4	Advance Received for Sale of Goods	5.16	35.30	-

5	Advances for Purchases and Services	-	-	-
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**Note – 43 Corporate Social Responsibility**

Sr No	Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
1	Gross Amount Required to be spent by the Company during the year	NA	NA	NA
2	( as per the provisions of S. 135 of the Companies Act, 2013 read with rules thereon)	NA	NA	NA
3	Amount of Expenditure Incurred	NA	NA	NA
4	Shortfall, if any, at the end of the year	NA	NA	NA
5	Total of Previous Years Shortfall	NA	NA	NA
6	Reason for Shortfall	NA	NA	NA
7	Details of Related Party Transactions in CSR	NA	NA	NA
8	Provision Made for CSR and Movements therein	NA	NA	NA

**Note – 44 DERIVATIVE INSTRUMENTS: -**

Particulars	Year ended ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Outstanding Forward Contract ( Hedge against Imports and Buyers Credit)	-	-	-
<b>TOTAL</b>	-	-	-

**Note – 45 BORROWING COSTS :**

No Borrowing Costs were eligible for capitalization during the year.

**Note – 46 SEGMENT REPORTING:**

With respect to Accounting Standard-17, the Management of the Company is of the view that the products offered by the Company are in the nature of forgings, and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the business of production of forgings and its related products belong to one business segment only.

**Note – 47 IMPAIRMENTS OF ASSETS: -**

In absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for the same during the year under report, in accordance with the requirement of Accounting Standard – 28 on “Impairment of Assets”

**Note – 48**

**CRYPTO CURRENCY / VIRTUAL CURRENCY: -**

The Company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.

**Note – 49 Others: -**

There are no transactions which are not recorded in books and have been surrendered or disclosed as income during the year in Income Tax Assessments.

The Company has used the borrowings from Banks and Financial Institutions for the specific purpose for which it was taken at the Balance Sheet Date.

In the opinion of the Board, all assets which are considered good (other than Property Plant and Equipments and Non- Current Investments) are expected to realised at least the amount at which they are stated, if realised in the ordinary course of business. Further in the opinion of the Board, provision for all known liabilities has been adequately made in the accounts and as per management experience and estimates, no additional provisions are required.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

### **1. Normal Operating Cycle and Classification of Assets and Liabilities into Current and Non- Current**

- i) In accordance with the requirement of Schedule III, Normal Operating Cycle of the Company's business is determined and duly approved by the Board of Directors
- ii) Assets and Liabilities of the above business have been classified into Current and Non-Current using the above Normal Operating Cycle and applying other criteria prescribed in Schedule III.

### **2. Transaction with Struck Off Companies**

- i) The company has not transacted with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- ii) The Company have not advanced or loaned or invested fund to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediaries shall;
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)
  - b. Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries
- iii) The Company have not received any fund from any person or entity, including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that The Company shall;
  - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
  - b. Provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries

**OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.failtd.com](http://www.failtd.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: -

<b>Particular</b>	<b>31/03/2024</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
Profit After Tax (Rs. in lakhs)	668.88	496.29	264.34
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)*	10.21	7.58	4.04
Return on Net Worth (%)	32.14%	29.89%	19.33%
NAV per Equity Shares (Based on Actual Number of Shares)	25.88	20.65	17.01
NAV per Equity Shares (Based on Weighted Average Number of Shares - With Bonus Effect)*	31.77	25.35	20.88
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,371.77	1238.46	834.09

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To  
**The Board of Directors,**  
**Forge Auto International Limited**  
 Kohara-Machhiwara Road,  
 Near Indian Oil Jasbir Petrol Pump,  
 Mangarh Ludhiana Punjab 141112

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Forge Auto International Limited** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31<sup>st</sup> March, 2024 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Rs. In Lakhs)

Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Sanctioned Amount	Rate of Interest	Primary & Collateral Security	Re-Payment Schedule (In months)	Outstanding amount as on 31.03.2024
HDFC Bank	50200081869302	Cash Credit	1,900.00	8.50%	Refer Note	-	1,896.19
HDFC Bank	8117312	GECL	202.08	9.25%		50	19.87
HDFC Bank	88541636	MTL	16.81	8.64%		7	4.89
HDFC Bank	88739305	MTL	251.28	8.64%		61	234.57
HDFC Bank	88739350	MTL	9.39	8.64%		9	4.25
HDFC Bank	88739507	MTL	72.95	8.64%		53	67.20
HDFC Bank	89629640	MTL	500.00	8.72%		84	495.66
Small Industries Development Bank of India	D0008KW0	MTL	742.00	8.25%		72	600.00
HDFC Bank	132317314	Car Loan	25.68	7.90%		39	13.99
HDFC Bank	139792950	Car Loan	14.00	8.75%		39	10.11
HDFC Bank	137292337	Car Loan	14.43	8.75%		39	9.71
HDFC Bank	150173813	Car Loan	49.92	9.00%		39	49.92
Mercedes-Benz Financial Services India Pvt. Ltd.	DF-A011421-000	Car Loan	61.00	10.75%		48	57.48
Mercedes-Benz Financial Services India Pvt. Ltd.	DF-A011429-000	Car Loan	61.00	10.75%		48	57.48
<b>TOTAL (Fund Based)</b>							<b>3521.33</b>
<b>TOTAL (Non-Fund Based)*</b>							<b>2953.10</b>
<b>GRAND TOTAL (Fund and Non fund Based)</b>							<b>6474.43</b>

\*Represents Bank Guarantee given by the Company.



**B. UNSECURED LOANS- FROM OTHERS**

Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Sanctioned Amount (Rs. In Lakhs)	Rate of interest	Re-Payment Schedule	31-03-2024 (Rs. In Lakhs)
Harshal Mittal	N.A	Business	N/A	9.00%	On Demand	6.40
Siddharth Mittal	N.A	Business		9.00%	On Demand	1.63
Parmod Gupta	N.A	Business		9.00%	On Demand	233.31
Rajan Mittal	N.A	Business		9.00%	On Demand	223.33
V.R. Finvest Private Limited	N.A	Business		13.20%	On Demand	60.00
<b>TOTAL</b>						<b>524.67</b>

**NOTES 5A and 5B**

1. The Credit Facilities from HDFC bank & SBI Bank are secured by way of charge on Book Debts, Stocks (Including stock of export), FDRs, Plant and Machinery and Land & Building situated at "Village Mangarh, Kohara Machhiwara Road, Ludhiana Punjab, 141112". The facilities are also collaterally secured by way of Equitable mortgage of "House No. 461, Near G S Motors Workshop, Jagjit Nagar, Threekay Road, Ludhiana, 142021" in the name of Smt.Rekha Mittal and further collaterally secured by way of personal Guarantees of Smt. Rekha Mittal and the Directors of the Company viz. Sh. Rajan Mittal and Sh. Parmod Gupta and M/s Auto International.
2. The Credit Facilities from SIDBI in the form of Medium Term Loan has been secured by way of Charge on Hypothecation of Plant & Machinery, Equipments, etc. Further the SIDBI FDR in the name of M/s Forge Auto International Pvt. Limited. has been charged as Collateral Security.
3. Vehicle loans are secured by way of Hypothecation of respective assets.
4. Unsecured Loans from Directors are taken for business purpose, during the financial years, from Directors/Promoters/Relative of Director & other Entities.
5. The amount taken as Unsecured Loan from M/s V.R. Finvest Pvt. Ltd. is repayable on demand. Interest has been paid @ 13.20% per annum during the Year ended on 31st March, 2024.

Yours faithfully,

**For Jasminer Singh & Associates**

**Chartered Accountants**

**FRN: 016192N**

**CA. Ashish Jindal**

**Partner**

**M. No. 559899**

**UDIN: 24559899BKAEUQ8962**

**Place: Ludhiana**

**Date: 14.09.2024**

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “**Financial Information of the Company**” beginning on page 131 of this Red Herring Prospectus. You should also read the section titled “**Risk Factors**” on page 24 and the section titled “**Forward Looking Statements**” on page 17 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated May 23, 2024, which is included in this Red Herring Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

**Business Overview**

Our Company is an engineering company engaged into forging and manufacturing of complex and safety critical, forged and precision machined components such as big ring, small ring, big ball stud, gear blank with broach, stub axle assembly, flange yoke 325 HS, catering to different industry sectors like auto industry including automobiles, tractors, railways etc. and non-auto sectors like agriculture parts, hydraulic parts, striking tools etc. We primarily serve our customers comprising of domestic and global original equipment manufacturers (“OEMs”) engaged into manufacturing for both automotive sector and other non-automotive sector, used across industries by a diversified base of customers.

We manufacture precision machined components as per customer specifications and International Standard catering to the requirements of various industry such as tractor, agriculture parts, railways, automobiles, commercial vehicle industry, 5th wheel industry, striking tools, hydraulic parts and castor wheel parts and other related industries. Our revenue from sale of machined and forging products has increased from ₹10951.99 lakhs in Fiscal 2021 to ₹18011.72 lakhs in Fiscal 2024, at a CAGR of 18.04% which demonstrates our increased focus on our products. Our continued endeavor to increase value addition through focus on products with higher machining intensity, has enabled us to increase our realization and in Fiscal 2024, 2023 and 2022 our EBITDA margin was 7.62%, 6.39% and 5.41% respectively.

We manufacture products such as short fork 325HS, long fork, flange yoke 325 HS used in commercial vehicles, ball stud, small ball stud used in railway bogies, gear blank with broach, gear blank without broach, stub axle assembly used in tractors, agricultural equipment, sledge hammers etc. Our product range can be broadly classified into different categories i.e. Automotive sector (i.e. used in the manufacturing of auto components such as tractors, light vehicles, heavy commercial vehicles etc.) and non- automotive sector (i.e. which are used in manufacturing of agricultural, industrial and striking tools etc.). Our revenue bifurcation from the different categories that we manufacture over the last 3 years and stub period are as follows :-

*(Rs. in Lakhs)*

Product Category	FY 2023-24	% to Total Sales	FY 2022-23	% to Total Sales	FY 2021-22	% to Total Sales
Auto Parts	9,319.00	51.74%	7554.97	42.77%	3999.15	30.10%
Tractor Parts	4,929.63	27.37%	6685.19	37.84%	6560.7	49.37%
Hydraulic Parts	713.09	3.96%	142.03	0.80%	77.62	0.58%
Railway Parts	422.29	2.34%	746.32	4.22%	186.5	1.40%
Caster Wheel Parts	0	0.00%	222.84	1.26%	165.12	1.24%
Forged & Machined Parts	0	0.00%	218.66	1.24%	117.64	0.89%
Striking Tools	565.97	3.14%	347.59	1.97%	660.71	4.97%
Agriculture Parts	320.81	1.78%	5.99	0.03%	35.62	0.27%
Trailer Parts	136.32	0.76%	150.71	0.85%	175.54	1.32%
Round Bar	53.93	0.30%	85.1	0.48%	106.87	0.80%
Infrastructure Parts	12.81	0.07%	63.49	0.36%	0	0.00%
Scrap & Other Sale	1,537.88	8.54%	1441.95	8.16%	1202.39	9.05%
	<b>18,011.72</b>	<b>100.00%</b>	<b>17664.85</b>	<b>100.00%</b>	<b>13287.85</b>	<b>100.00%</b>

Our company started the business as a partnership firm in the year 2001, with the vision to make its presence in forging sector. As on June 30, 2024, we have established a forging capacity of 20000 MTs and machining capacity of approx. 25 lakhs units per annum for the owned Machinery. The manufacturing facility of the company is installed with the machines like medium frequency induction heating equipment, CNCs, VMCs (vertical milling centres), hydraulic surface grinder with all accessories,

HMI screw press, shot blasting machine, Electric Screw Presses of 1000 MT and 1600 MT, lathe machine, continuous heat treatment furnace with ISO thermal annealing, normalising, quenching and tempering, pillar drilling machine / circular saw machine, Spectrometer and PMI, Ultrasonic washing machine, MPI equipment, rolling machine, 6 Drop Forge Hammers ranging from 1MT to 2.5MT, Broaching (both Horizontal and Vertical), Laser Marking Machines, Coining Presses along with testing equipments like Magna Flux Crack Detection Machines, Standard Room (with CMM, Contour Tracers, Roughness Tester, Height Gauge and other testing instruments), Design & Engineering (with Solid Works, Solid Edge, NX Cam, Q Form Simulation Software and 3D Printer) and utility equipments like forklift, EOT crane, transformer and panels capable of undertaking the forging and machining activities. Further, during the year 2021 our company forayed into the manufacturing of hydraulic components, castor wheel components, industrial goods and other sectors to cater to the growing demand in the forging and machining sector in the India and outside India. Further, over the years, we have expanded our presence within India, with an additional international reach through our customers established in indifferent parts of the world. Apart from our domestic sales, we export our products to countries like France, Germany, Poland, Brazil, Austria, Turkey and United States of America. Below table represent our sales in the Domestic and International Market:-

(Amt in Rs. Lakhs)

Sales Type	2023-24	% of Sales	2022-23	% of Sales	2021-22	% of Sales
<b>Domestic Sales</b>	16,975.80	94.25%	16814.78	95.19%	12856.66	96.76%
<b>Export Sales</b>	1,035.92	5.75%	850.07	4.81%	431.19	3.24%
<b>Total</b>	<b>18,011.72</b>	<b>100.00%</b>	<b>17664.85</b>	<b>100.00%</b>	<b>13287.85</b>	<b>100.00%</b>

Our strategy and commitment to deliver the required product and services to its customer by consistently improving its current products and innovating customer-centric new products and process technologies. Further, because of our commitment towards customer satisfaction and performance of our products, we have expanded our customer base both geographically and in different industry sectors. We serve our customers, engaged in the business of manufacturing in different sectors and industry like agriculture equipment, automotive, castor wheel, construction, defense, heavy commercial vehicle, railway, striking tool, tractor etc.

We have been granted

1. ISO 9001:2015 for quality management systems.
2. ISO 14001:2015 for environmental management systems.
3. OHSAS 45001:2018 for occupational health and safety management systems.
4. IATF 16949:2016 for doing business with OEMs manufacturing Components in Automotive Industry.
5. ZED GOLD by Government of India for sustainability with Zero Effect and Zero Defect.

Our Promoters and senior management have been instrumental in the growth of our business. Our Promoter Parmod Gupta and Rajan Mittal have played a vital role in the growth of our Company and continues to provide strategic guidance and oversees overall performance of our Company. Parmod Gupta holds a bachelor's degree in Arts. He has the experience of around 48 years in running the forging business and drives new investment and growth strategy besides managing day to day operations of our Company. We have been supported by Rajan Mittal who holds a bachelor's degree in Science from Guru Nanak Dev University in the year 1988. He has around 32 years of experience in the field of business development and financial management in the forging industry. For the details of educational qualification and experiences of our promoter and senior management refer "Our Management" beginning on page 115.

### Financial Snapshot

(All amounts in Rs. Lakhs)

Key Financial Performance	For the year		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	18,011.72	17,664.85	13,287.85
EBITDA <sup>(2)</sup>	1,371.77	1238.46	834.09
EBITDA Margin <sup>(3)</sup>	7.62%	7.01%	6.28%
PAT	668.88	496.29	264.34
PAT Margin <sup>(4)</sup>	3.71%	2.79%	1.97%
RoE(%) <sup>(5)</sup>	35.76%	32.78%	21.53%
RoCE (%) <sup>(6)</sup>	17.60%	21.30%	16.40%

#### Notes:

(1) Revenue from operation means revenue from sales, service and other operating revenues

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses

(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(5) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

(6) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure IV of Restated Financial Statements beginning on page 131 of this Red Herring Prospectus.

### **Factors Affecting our Results of Operations**

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in focus toward the Auto and Auto Ancillary, Government Policies on Auto Sector;
3. Any change in government policies resulting in increase in taxes payable by us;
4. Our ability to retain our key managements persons and other employees;
5. Changes in laws and regulations that apply to the Auto industry in which we operate.
6. Our failure to keep pace with rapid changes in technology;
7. Our ability to grow our business;
8. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
9. General economic, political and other risks that are out of our control;
10. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Company's ability to successfully implement its growth strategy and expansion plans;
12. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
13. Inability to successfully obtain registrations in a timely manner or at all;
14. Occurrence of Environmental Problems & Uninsured Losses;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse legal proceedings initiated against our company or its promoters, directors and KMP's;
17. Concentration of ownership among our Promoters; and
18. The performance of the financial markets in India and globally.

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of "Statement of Significant Accounting Policies", please refer to Annexure IV of Restated Financial Statements beginning on page 131 of this Red Herring Prospectus.

**RESULTS OF OPERATIONS INFORMATION BASED ON THE RESTATED FINANCIAL INFORMATION**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the financial years ended on March 31, 2024, March 31, 2023, and March 31, 2022.

(Amt in Rs. Lakhs)

Particulars	For the financial year ended					
	FY 2023-24	% of Total Income	FY 2022-23	% of Total Income	FY 2021-22	% of Total Income
<b>Income</b>						
Revenue from operations	18,011.72	99.20%	17,664.85	99.44%	13,287.85	99.16%
Other Income	145.58	0.80%	99.58	0.56%	112.43	0.84%
<b>Total Income</b>	<b>18,157.30</b>	<b>100.00%</b>	<b>17,764.43</b>	<b>100.00%</b>	<b>13,400.28</b>	<b>100.00%</b>
<b>Expenses</b>						
(a) Cost of materials and components consumed	11101.82	61.14%	11,291.35	63.56%	7,707.82	57.52%
(b) Purchases of Stock In-trade		0.00%	0	0.00%	0	0.00%
(c) Changes in inventories of finished goods	-832.66	-4.59%	-1,075.80	-6.06%	2.57	0.02%
(d) Changes in work-in-progress and stock-in-trade	-351.1	-1.93%	326.72	1.84%	132.07	0.99%
(e) Employee benefits expenses	1130.56	6.23%	806.73	4.54%	621.25	4.64%
(f) Depreciation and amortisation expenses	257.36	1.42%	206.7	1.16%	180.09	1.34%
(g) Finance costs	410.42	2.26%	338.8	1.91%	279.57	2.09%
(h) Other expenses	5,511.68	30.36%	5,176.97	29.14%	4,102.47	30.61%
<b>Total Expenditure</b>	<b>17,228.08</b>	<b>94.88%</b>	<b>17,071.47</b>	<b>96.10%</b>	<b>13,025.84</b>	<b>97.21%</b>
<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax</b>	929.22	5.12%	692.96	3.90%	374.44	2.79%
Exceptional Item	0	0.00%	0	0.00%	0	0.00%
<b>Profit/(Loss) Before Tax</b>	929.22	5.12%	692.96	3.90%	374.44	2.79%
<b>Tax Expense:</b>						
Tax Expense for Current Year	233.35	1.29%	164.63	0.93%	66.42	0.50%
Deferred Tax	26.99	0.15%	32.04	0.18%	43.68	0.33%
<b>Net Current Tax Expenses</b>	260.34	1.43%	196.67	1.11%	110.1	0.82%
<b>Profit/(Loss) for the Year</b>	668.88	3.68%	496.29	2.79%	264.34	1.97%

**Revenue from Operations**

Revenue from operations comprises Revenue from selling of forging and machined Components for the both Auto and Non automotive sector in both domestic market and customers located in different countries internationally.

(Amt in Rs. Lakhs)

Year-wise revenue bifurcation Government / Non-Government Customers			
Particulars	2021-22	2022-23	2023-24
Government	0.85	3.98	7.93
Non-Government	13,287.00	17,660.87	18,003.79
<b>Total</b>	<b>13,287.85</b>	<b>17,664.85</b>	<b>18,011.72</b>

**Other Income**

Other income includes (i) interest income on loans and advances; (ii) Interest on FD income; (iii) Duty Drawbacks; (iv) profit on sale of fixed assets (v) Subsidy (vi) others.

**Expenses**

Our expenses comprise (i) purchases of stock-in-trade; (ii) Cost of material consumed; (iii) changes in inventories of finished goods and work-in-progress; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

**Changes in Inventories of Finished Goods and Work-in Progress**

Changes in inventories of finished goods and work-in-progress denotes increase/ decrease in inventories of finished goods and work in progress between opening and closing dates of a reporting period.

**Employee Benefit Expense**

Employee benefit expenses primarily include (i) salaries wages and other expenses; (ii) director remuneration (iii) contributions to statutory fund; and (iv) staff welfare expenses (v) gratuity expenses.

### **Depreciation and Amortization expenses**

Depreciation and amortization expenses primarily include depreciation expenses on our plant machinery and equipments, office furniture and motor cars, delivery vans and computers.

### **Other Expenses**

Other expenses comprises (i) Auditor remuneration; (ii) Electricity and fuel expenses; (iii) repairs and maintenance expenses; (iv) rent expenses; (v) insurance charges; (vi) Exhibition expenses; (vii) Discounts expenses; (viii) Security expenses; (ix) legal and professional expenses; (x) commission expenses; (xi) loading and unloading expenses; (xii) rates & taxes; (xiii) travelling & conveyance expenses; (xiv) Shipping expenses; (xv) Recruitment Expenses; (xvi) other miscellaneous expenses;

### **Comparison of Financial Year 2024 with Financial Year 2023 (Based on Restated Financial Statements)**

#### **Total Income**

Our total income has increased marginally by 2.21% to Rs. 18157.30 lakhs in Fiscal 2024 from Rs. 17764.43 lakhs in Fiscal 2023. the reason for the increase is mainly due to the gain on sale of fixed assets amounting 53.41 Lakhs, further the revenue from operations has increased marginally by 1.96% or 346.87 lakhs.

#### **Revenue from Operations**

Our Revenue from operations has increased marginally by 1.96% to Rs. 18011.72 lakhs in Fiscal 2024 from Rs. 17664.85 lakhs in Fiscal 2023. The main reason of increase in the revenue from operations was due to production and goods sold mix during the period.

#### **Other Income**

Our other income was Rs. 99.58 lakhs in Fiscal 2023, which has been increased by 46.19% to Rs. 145.58 lakhs in Fiscal 2024. The main reason for such increase was due to sales of fixed assets which has contributed 53.41 Lakhs in the current year.

#### **Expenses**

Our total expenses have also increased marginally by 0.92% to Rs. 17228.08 lakhs in Fiscal 2024 from Rs. 17071.47 lakhs in Fiscal 2023. The main reason for increase is the increase in revenue from operations. The major contribution in increase in the total expenses were from increase in employees benefit cost which increased by Rs. 323.83 lakhs and increase in other expenses which increased by Rs. 334.71 lakhs. These increase in expenses were partially offset by the decrease in the material cost which decreased by Rs. 624.21 lakhs including change in inventory.

#### **Cost of Material Consumed**

The cost of material consumed decreased from Rs. 10542.27 lakhs to 9918.06 lakhs representing a decrease of approximately 5.92%. The main reason for decrease in the cost of material consumed was due to decrease in the prices of raw material used in production, product mix of the company and cost optimisation methods used by the company.

#### **Employee benefits expenses**

Employee benefit expenses increased by 40.14% from Rs. 806.73 lakhs in Fiscal 2023 to Rs. 1130.56 lakhs in Fiscal 2024. Such increase was due to new employees hired in the different departments to generate increased target of sales and overall business improvement, which lead to an increase in salary and wages by Rs. 241.31 lakhs and also the remuneration paid to the directors has increased significantly by 67.20 Lakhs Per annum.

#### **Depreciation and amortization expenses**

Depreciation, and amortisation expenses increased by 24.51% from Rs. 206.70 lakhs in Fiscal 2023 to Rs. 257.36 lakhs in Fiscal 2024. The company works on an asset light model hence the depreciation expenses are limited to the extend on 1-2% of the total income of the Company.

#### **Other expenses**

Other expenses increased by 6.47% from Rs. 5176.97 lakhs in Fiscal 2023 to Rs. 5511.68 lakhs in Fiscal 2024. The main reason for increase in the other expenses is the increase operation of the company. The major portion of the other expenses is represented

by consumables and spares which has increased to Rs. 1,446.67 lakhs from Rs. 1093.06 lakhs, Electricity Expenses which has increased to Rs. 662.23 lakhs from Rs. 568.84 lakhs.

### **Tax Expenses**

Current tax increased by 41.74% from Rs. 164.63 lakhs in Fiscal 2022 to Rs. 233.35 lakhs in Fiscal 2023. Such increase is the resulting factor of increased profits.

### **Profit after Tax**

The profit after tax of the company increased from Rs. 496.29 lakhs in the Fiscal 2022 to Rs. 668.88 lakhs in the Fiscal 2023 representing an increase of 34.78%. The increase in the PAT was the resultant of the marginal increase in revenue of the company which increased by 1.96% against which the total expenses of the company increased by 0.92%. In Fiscal 23, the PAT Margin of the company was 3.71% as against 2.81% during the Fiscal 2022, which was majorly due to the reduction in the cost of material consumed along with lower increase in major cost such as electricity expenses, repair expenses, fuel expenses and labour expenses. Further, the Rebate & Discount which was Rs. 192.94 lakhs in Fiscal year 2022 reduced to Rs. 20.55 lakhs in Fiscal 2023.

### **Comparison of Financial Year 2023 with Financial Year 2022 (Based on Restated Financial Statements)**

#### **Total Income**

Our total income has increased significantly by 32.57% to Rs. 17764.41 lakhs in Fiscal 2023 from Rs. 13400.28 lakhs in Fiscal 2022. The main reason of increase was due to increase in the revenue from sale of products which increased to 17664.85 lakhs against 13287.85 lakhs which represents an increase of 32.94%. However, the other income of the company which has been decreased by 11.43% to Rs. 99.58 lakhs in Fiscal 2023 from Rs. 112.43 lakhs in the Fiscal 2022.

#### **Revenue from Operations**

Our Revenue from operations has increased significantly by 32.94% to Rs. 17664.85 lakhs in Fiscal 2023 from Rs. 13287.85 lakhs in Fiscal 2022. The main reason of increase in the revenue from operations was due to increase in the production and goods sold during the period. The company has during the period increased its forging capacity from 19750MT to 20000MT and machining capacity from 22 lakh units to 25 lakh units. Further, due to the increased order from the customer, the company was able to increase its actual utilization from 60.26% in FY2022 to 71.84% in FY2023. Further, the utilization for machining capacity has been around 78% during both the financial years. Further, the sales of auto part during the period increased from Rs. 3999.15 lakhs to Rs. 7554.97 lakhs and company also witness growth in the sales of Caster Wheel Parts, Forged & Machined Parts, Hydraulic Parts & Railway Parts in comparison to previous year.

#### **Other Income**

Our other income was Rs. 112.43 lakhs in Fiscal 2022, which has been decreased by 11.43% to Rs. 99.58 lakhs in Fiscal 2023. The main reason for such decrease was due to non-receipt of Electricity Subsidy and further there is a gain in the foreign exchange fluctuation and incentive received under invest in Punjab scheme among other reasons.

#### **Expenses**

Our total expenses have also increased significantly by 31.06% to Rs. 17071.46 lakhs in Fiscal 2023 from Rs. 13025.84 lakhs in Fiscal 2022. The main reason for increase in the total expenses was increase in the business of the Company due to which the cost of material consumed increase from Rs. 7842.46 lakhs to 10542.27 lakhs representing an increase of approximately 34.43%.

#### **Cost of Material Consumed**

The cost of material consumed increase from Rs. 7842.46 lakhs to 10542.27 lakhs representing an increase of approximately 34.43%. The main reason for increase in the cost of material consumed was due to increase in the revenue from the goods sold by the company. The cost of material consumed is directly proportionate to the sale of products by the company. For the Fiscal year 2023 the material to revenue ratio was 59.68% which was approximately 59.02% during Fiscal year 2022.

#### **Employee benefits expenses**

Employee benefit expenses increased by 29.86% from Rs. 621.25 lakhs in Fiscal 2022 to Rs. 806.73 lakhs in Fiscal 2023. Such increase was due to new employees hired in the different departments to generate increased target of sales and overall business improvement, which lead to an increase in salary and wages by Rs. 169.21 lakhs.

#### **Depreciation and amortization expenses**

Depreciation, amortisation and impairment expenses increased by 17.78% from Rs. 180.09 lakhs in Fiscal 2022 to Rs. 206.70 lakhs in Fiscal 2023. The company works on an asset light model hence the depreciation expenses are limited to the extend on 1-2% of the total income of the Company.

#### **Other expenses**

Other expenses increased by 26.19% from Rs. 4102.47 lakhs in Fiscal 2022 to Rs. 5176.97 lakhs in Fiscal 2023. The main reason for increase in the other expenses is the increase operation of the company. The major portion of the other expenses is represented by consumables and spares which has increased to Rs. 1,093.06 lakhs from Rs. 786.41 lakhs, Electricity Expenses which has increased to Rs. 568.84 lakhs from Rs. 526.31 lakhs, Fuel Expenses which has increased to Rs. 1,121.92 lakhs from Rs. 801.03 lakhs, Labour Expenses which has increased to Rs. 1,454.66 lakhs from Rs. 1,122.49 lakhs and Repair & Maintenance Machinery which has increased to Rs. 295.59 lakhs from Rs. 237.63 lakhs. These abovementioned expenses represent more than 80% of our total other expenses, the increase in other expenses have been pursuant to the increase in these major expenses.

#### **Tax Expenses**

Current tax increased by 147.86% from Rs. 66.42 lakhs in Fiscal 2022 to Rs. 164.63 lakhs in Fiscal 2023. Such increase is the resulting factor of increased profits.

#### **Profit after Tax**

The profit after tax of the company increased from Rs. 264.34 lakhs in the Fiscal 2022 to Rs. 496.29 lakhs in the Fiscal 2023 representing an increase of 87.75%. The increase in the PAT was the resultant of the increase in revenue of the company which increased by 32.94% against which the total expenses of the company increased by 31.06%. In Fiscal 2023, the PAT Margin of the company was 2.81% as against 1.99% during the Fiscal 2022, which was majorly due to the rationalization of the Employee benefits expenses which increased by 29.86%, Depreciation and amortisation expenses by 14.78%, Finance costs by 21.19% and Other expenses by 26.19% against the increase in revenue by around 32.94%. Further, the bad debts written off during the Fiscal 2022 amounts to Rs. 313.20 lakhs which was Nil during the Fiscal 2023, which also added to increase in the PAT margins of the Company.

#### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

##### ***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

##### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

##### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 24 of the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

##### ***4. Future changes in relationship between costs and revenues***

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 92 and 175 respectively of this Red Herring Prospectus, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

##### ***5. Total turnover of each major industry segment in which our Company operates***

Our business activity primarily falls within a single business and geographical segment, i.e., Forging and machining Component, as disclosed in “**Restated Financial Statements**” on page 131 of this Draft Red Herring Prospectus, we do not follow any other segment reporting.



**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter **“Our Business”**, our Company has not announced any new product or service.

**7. Seasonality of business**

Our business is not seasonal in nature and we are selling the forging and machined components over the year. For further information, see **“Industry Overview”** and **“Our Business”** on pages 82 and 92 of this Red Herring Prospectus, respectively.

**8. Dependence on single or few customers**

The revenue from operations of our company is dependent on a limited number of customers. For the FY 23-24, 22-23 and 21-22 our top 10 customers contributed to approximately contributes 85.16%, 85.91% and 89.65% and of our revenue from operations. For further information, see **“Risk Factors”** on page 24 of this Red Herring Prospectus.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters **“Industry Overview”** and **“Our Business”** beginning on pages 82 and 92 respectively of this Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. March 31, 2024.**

After the date of last Balance sheet i.e., March 31, 2024, the following material events have occurred after the last audited period:

1. We have appointed Gautam Kanchan as Chief Financial Officer of the Company with effect from June 03, 2024 vide Board Meeting dated June 03, 2024.
2. Appointment of Navneet Kaur as Independent Director of the company with effect from June 03, 2024.
3. Appointment of Bhupinder Preet Kaur as Independent Director of the company with effect from June 03, 2024.
4. Regularisation of appointment of Ansh Jain as Independent Director of the Company with effect from June 04, 2024
5. A special resolution was passed by the shareholders at the Extra Ordinary General Meeting held on April 15, 2024 for the conversion of the company from Private limited to Public limited and a fresh certificate of incorporation was issued by the Registrar of Companies vide its letter dated June 01, 2024.
- 6.
7. Parmod Gupta was re-designated from Director to Chairman & Whole Time Director of the Company with effect from June 03, 2024.
8. The company has been sanctioned financial facility under 4E-Financing Scheme (4E-FIN) for a maximum amount upto Rs. 742 lakhs from SIDBI.
9. Rajan Mittal was re-designated from Director to Managing Director of the Company with effect from June 03, 2024.
10. We have passed a Board resolution in the meeting of Board of Director dated June 03, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
11. We have passed a special resolution in the meeting of shareholders dated June 04, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.

**CAPITALISATION STATEMENT**

(Amt. Rs. in Lacs)

Particulars	Pre-Issue	Post-Issue *
	As on 31 March, 2024	
	Rs.	Rs.
Debt		
Short Term Debt	2,610.14	[●]
Long Term Debt	1,435.86	[●]
<b>Total Debt</b>	<b>4,046.00</b>	[●]
Shareholders' Fund (Equity)		[●]
Share Capital	804.00	[●]
Reserves & Surplus	1,276.88	[●]
Less: Miscellaneous Expenses not w/off		[●]
<b>Total Shareholders' Fund (Equity)</b>	<b>2,080.88</b>	[●]
Long Term Debt/Equity	<b>0.69</b>	[●]
Total Debt/Equity	<b>1.94</b>	[●]

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31 March 2024.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving the Company, its Directors and Promoters.*

*The Board, in its meeting held on June 17, 2024, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 10% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

There are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

There are no outstanding criminal proceedings initiated by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

There are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings:**

- (i) Direct Tax: - NIL
- (ii) Indirect Tax – NIL

##### **(e) Other pending material litigations against the Company**

There are no outstanding litigations against the company, which have been considered Material by the Company in accordance with the Materiality Policy.

##### **(f) Other pending material litigations filed by the Company**

There are no outstanding litigations initiated by the company, which have been considered Material by the Company in accordance with the Materiality Policy.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

##### **(a) Criminal proceedings against the Promoters & Directors of the company**

Except as mentioned below, there are no outstanding criminal proceedings against the Promoters & Directors of the Company:

##### **(b) Criminal proceedings filed by the Promoters & Directors of the company**

Except as mentioned below, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

##### **(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

##### **(d) Tax Proceedings:**

There are no outstanding Tax Proceedings against the Promoters & Directors of the company.

**Proceedings against the Promoters & Directors.**

(i) Direct tax – NIL

(ii) Indirect Tax – NIL

**(e) Other pending material litigations against the Promoters & Directors of the company**

Except as mentioned below, there are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters & Directors of the company**

There are no outstanding litigations initiated by the Directors, which have been considered Material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANY WHICH CAN HAVE A MATERIAL IMPACT ON THE COMPANY**

**(a) Criminal proceedings against the Group Company**

There are no outstanding criminal proceedings initiated against the Group Company.

**(b) Criminal proceedings filed by the Group Company**

There are no outstanding criminal proceedings initiated by the Group Company.

**(c) Actions by statutory and regulatory authorities against the Group Company**

There are no outstanding Tax Proceedings against the Group Company.

**(d) Tax Proceedings:**

(i) Direct Tax: - NIL

(ii) Indirect Tax – NIL

**(e) Other pending material litigations against the Group Company**

There are no outstanding litigations initiated against the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Group Company**

There are no outstanding litigations initiated by the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

**D. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company’s total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company’s trade payables as per the last restated financial statements as material dues for the Company. The trade payables for the year ended on March 31, 2024 were ₹ 3441.87 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 143.93 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on June 17, 2024. Based on these criteria, details of outstanding dues owed as on March 31, 2024 by our Company on are set out below:

(₹ in lakhs)

Type of Creditors	Number of Creditors	Amount involved
Micro and Small enterprises	111	368.98
Material Creditors	3	1436.10

Other Creditors	174	1073.55
<b>Total</b>	<b>288</b>	<b>2878.44</b>

**A. MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 175 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

**GOVERNMENT AND OTHER APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.*

*For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled ‘Key Industry Regulations and Policies’ on page 103 of this Red Herring Prospectus.*

**I. Approvals for the Issue**

The following approvals have been obtained or will be obtained in connection with the Issue

***Corporate Approvals:***

- a. Our Board, pursuant to its resolution dated June 03, 2024 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the annual general meeting of our Company held on June 04, 2024 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Red Herring Prospectus pursuant to its resolution dated June 30, 2024.

***Approval from the Stock Exchange:***

- d. In-principle approval dated September 13, 2024 from the NSE Emerge or using the name of the Exchange in the issue documents for listing of the equity shares issued by our Company pursuant to the issue.

***Agreements with NSDL and CDSL:***

- e. The company has entered into an agreement dated June 28, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- f. Similarly, the Company has also entered into an agreement dated August 8, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- g. The Company’s International Securities Identification Number is: INE0YKW01013.

**II. Approvals pertaining to Incorporation of our Company**

SL. NO.	Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Certificate of Incorporation in the name of “Forge Auto International Private Limited”	U25910PB2023PTC058272	Companies Act, 2013	Registrar of Companies, Central Registration Centre	25/04/2023	Perpetual
2.	Fresh Certificate of Incorporation upon conversion of Company	U25910PB2023PLC058272	Companies Act, 2013	Registrar of Companies, Central	01/06/2024	Perpetual

SL. NO.	Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
	from “Forge Auto International Private Limited” to “Forge Auto International Limited”			Registration Centre		

### III. Business and Operations Related Approvals

SL. NO.	Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Factory License	LDH0FL2553	The Factories Act, 1948	Directorate of Factories, Punjab, Department of Labour, Govt. of Punjab	16/01/2023	31/12/2027
2.	Consent to operate	CTOA/Varied/LDH1/2021/16393042	Air (Prevention and Control of Pollution) Act, 1981	Punjab Pollution Control Board	22/09/2021*	30/09/2026
3.	Water Pollution Certificate	CTOW/Varied/LDH1/2021/16393158	Water (Prevention and Control of Pollution) Act 1974	The Punjab Pollution Control Board	22/09/2021*	30/09/2026
4.	Registration under Employees Provident Fund	PB/LD/19876	Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organization, India	10/05/2002*	Perpetual
5.	Certificate of Registration under The Contract Labour (Regulation & Abolition) Act, 1970	LDH02PE2232	The Contract Labour (Regulation & Abolition) Act, 1970	Department of Labour, Govt. of Punjab	06/03/2023*	Perpetual
6.	Registration under the Employee State Insurance	26000441070000605	Employee State Insurance Act, 1948	Employees' State Insurance Corporation	-	Perpetual
7.	Fire and Rescue Services License	319-92379-Fire/68970	Fire Prevention and Life Safety Measures Act, 2006	Municipal Corporation Chandigarh (STATE)	22/05/2024**	21/05/2025
8.	Quality Management Certificate ISO 9001:2015	8510000119109	The Bureau of Indian Standards Act, 2016	The Certification Body of TUV Rheinland (India) Pvt. Ltd.	07/08/2023**	30/09/2025
9.	EMS 14001:2015	IE- 24060501	The Bureau of Indian Standards Act, 2016	Indraprastha SystemCert Pvt. Ltd.	05/06/2024	27/05/2025
10.	ISO 45001:2018	IO-24060501	The Bureau of Indian Standards Act, 2016	Indraprastha SystemCert Pvt. Ltd.	05/06/2024	27/05/2025
11.	IATF 16949:2016	0435648	The Bureau of Indian Standards Act, 2016	TUV Raheinland CERT GmbH	24/11/2021**	23/11/2024
12.	ZED (GOLD) Certifications	UDYAM-PB-12-0117196	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro Small and Medium Enterprises	03/07/2023**	02/07/2026
13.	Import and Export Code Certificate	AAFCF4436P	The Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce and Industry Directorate	18/05/2023	Perpetual

SL. NO.	Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
				General of Foreign Trade		

\* In the name of Auto International.

\*\* In the name of Forge Auto International Private Limited

#### IV. Tax Related Approvals





SL. NO.	Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Permanent Account Number [PAN]	AAFCF4436P	Income Tax Act, 1961	Income Tax Department	25/04/2023	Perpetual
2.	Tax Deduction Account Number [TAN]	JLDF00853G	Income Tax Act, 1961	Income Tax Department	25/04/2023*	Perpetual
3.	Goods and Service Tax	03AAFCF4436P1ZF	Central Goods and Service Tax Act 2017	Central Board of Indirect Taxes and Customs	25/04/2023	Perpetual
4.	Professional Tax Certificate of Registration (RC)	E30AAFCF4436P	Punjab State Tax on Professions, Trades, Callings and Employments Act, 1975	Department of Excise and Taxation, Punjab State Development Tax	NA**	Perpetual

\* In the name of Forge Auto International Private Limited

\*\*The company is not in possession of the certificate of registration for Professional Tax Certificate of Registration (RC)

#### V. Intellectual Property Related Approvals

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Trademark	Application Number	Class of Registration	Trademark Type	Date of Issue/ Application	Status	Validity
	6473365	6**	DEVICE	11/06/2024	Formalities Chk Pass*	-
	6473366	7**	DEVICE	11/06/2024	Formalities Chk Pass*	-
	6473367	12**	DEVICE	11/06/2024	Formalities Chk Pass*	-
	6473368	35**	DEVICE	11/06/2024	Formalities Chk Pass*	-

\*Applied in the name of Forge Auto International Limited.

\*\* Description of the class:

Class 6- Metal goods, Metal forgings, Steel forgings, Alloy forgings (rough or semi-finished -) [metal], Connecting links for chains, Steel rods, Caster Wheels;

Class 7- Forging molds Forging presses, Forging machines, Forging moulds, Drop- forging machines, & machine tools, agriculture parts, Hydraulic Parts, Engines Parts;

Class 12- Forging molds Forging presses, Forging machines, Forging moulds, Drop- forging machines, & machine tools, agriculture parts, Hydraulic Parts, Engines Parts, automobiles parts, auto parts, moter parts, Tractor Parts, Railway Parts, Wheels, Chain deflectors for vehicles, Motorcycle chains, Wheels Assembly , Trailer Parts,



Class 35- Advertising, Business Administration and Management of wholesale & Retail outlets; Trading, Marketing, Online Marketing, Import & Exports relating to Metal goods, Metal forgings, Steel forgings, Alloy forgings (rough or semi-finished -) [metal], Connecting links for chains, Steel rods, Forging molds Forging presses, Forging machines, Forging moulds , Drop-forging machines, machine & machine tools, agriculture parts, Hydraulic Parts, Engines Parts, automobiles parts, auto parts, moter parts, Tractor Parts, Railway Parts, Wheels, Chain deflectors for vehicles, Motorcycle chains. Caster Wheels , Trailer Parts.

**VI. Other Approvals**

SL NO.	Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
1.	Udyam Registration Certificate	UDYAM-PB-12-0117196	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small & Medium Enterprises	05/05/2023	Perpetual

**VII. Material Licenses/ Approvals/Permission for which applications have been made by our Company but not received.**

Nil

**OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated June 17, 2024 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfils both the below mentioned conditions:

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“**Restated Financial Statements**”); or
- b. if such company fulfils both the below mentioned conditions: -
  - i. such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
  - ii. the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

Based on the above, the following Company has been as our Group Company -

1. Forge Mach Auto Private Limited

**Details of our Group Company:**

**1. Forge Mach Auto Private Limited**

Forge Mach Auto Private Limited was incorporated on July 14, 2022 as a private limited company under the Companies Act, 2013 with name “Forge Mach Auto Private Limited” pursuant to a certificate of incorporation issued by the Registrar of Companies, Chandigarh, Punjab.

<b>CIN</b>	U27109PB2022PTC056451
<b>PAN</b>	AAFCF1425Q
<b>Registered Office</b>	C/o Auto International, Machhiwara Road, Kohara, Ludhiana, Punjab, 141112, India

**Financial Information**

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of our group company are available on the website of our Company at [www.failtd.com](http://www.failtd.com)

It is clarified that such details available on our group company’ websites do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Company’ website, as mentioned above, would be doing so at their own risk.

Below table represents the shareholding pattern of our Group Company.

S. No.	Name of the shareholders	No. of shares (Face Value Rs. 10 per Share)	% age of shareholding
1.	Rajan Mittal	2,50,000	25%
2.	Parmod Gupta	2,50,000	25%
3.	Siddharth Mittal	2,50,000	25%
4.	Rohit Gupta	2,50,000	25%
	<b>Total</b>	<b>10,00,000</b>	<b>100%</b>

Please refer below table for the financial information of our Group Company, Forge Mach Auto Private Limited. As the Company was incorporated on July 14, 2022, financial information for the year ended March 31, 2023 are given below.

(in lakhs)

Particulars	March 31, 2023
Revenue From Operations	Nil
Profit after tax (PAT)	(3.38)
Equity share capital	100.00
Reserves & Surplus	(3.38)
Networth	96.62

**Other Confirmations:**

- a) None of our Group Company is listed on any stock exchange nor any of the Group Company has made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Company is in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against any of the Group Company.
- c) None of the above-mentioned Group Company is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

**Litigations**

Except as disclosed in the section “Outstanding litigations and material developments” on page 184. Our Group Company does not have any material litigation which may have a material impact on our Company.

**Common pursuits among Group Company**

As on the date of this Red Herring Prospectus, our Group company is also engaged in the similar line of business related to our company i.e. forging business.

**Nature and Extent of Interest of Group Company**

a) **In the promotion of our Company:**

Our Group Company does not have any interest in the promotion of our Company.

b) **In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus with stock exchange:**

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus with Stock Exchange.

c) **In transactions for acquisition of land, construction of building and supply of machinery:**

Our Group Company does not have any interest in any transactions for the acquisition of land, construction of building or supply of machinery

**Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Restated Financial Statements-Related Party Transactions*” on page 164, there are no related business transactions between the Group Company and our Company.

**Business interest of our Group Company in our Company**

Except as disclosed in the section “*Other Financial Information-Related Party Transactions*” and “*History and certain Corporate Structure*” on page 164 and page 112 our Group Company have no business interests in our Company.

**Undertaking/ Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoters, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Company/ Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other

government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group Company, are also available on the website of our company i.e. [www.failtd.com](http://www.failtd.com)

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue:**

#### ***Corporate Approvals:***

The Board of Directors, pursuant to a resolution passed at their meeting held on June 03, 2024 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on June 04, 2024 authorized the Issue.

#### ***In-principal Approval:***

Our Company has obtained in-principal approval from the NSE Emerge for using its name in the Red Herring Prospectus/Red Herring Prospectus/ Prospectus pursuant to an approval letter NSE/LIST/4086 dated September 13, 2024, NSE is the Designated Stock Exchange.

### **Prohibition by SEBI or other Governmental Authorities:**

We confirm that our Company, Promoters, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, nor Promoter Group, nor any of our directors or persons in control of our Company are /were associated as promoter, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as Promoter or Director.
- Neither our Promoters, nor Promoter Group, nor any of our directors are declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group nor our directors, are Wilful Defaulters or fraudulent borrowers.

### **Association with Securities Market:**

Our Company, our Promoters, our Directors and our Promoter's Group, person(s) in control of the promoters or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### **Prohibition by RBI:**

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 184 of this Red Herring Prospectus.

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Prohibition with respect to wilful defaulters or a fraudulent borrower**

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Directors, our Promoters and members of Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

**Eligibility for the Issue:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than 10 crore rupees but less than 25 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "NSE Emerge").

**We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 50 of this Red Herring Prospectus.
- b) In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
- d) In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE (NSE Emerge). For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page 53 of this Red Herring Prospectus.
- e) In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, promoter group or directors are not debarred from accessing the capital markets by the Board.
- f) In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by the Board.
- g) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoter or directors is a wilful defaulter or a fraudulent borrower.
- h) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoter or directors is a fugitive economic offender.
- i) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to Emerge Platform of NSE (“NSE Emerge”) is the Designated Stock Exchange.
- j) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
- l) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoter is already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of

SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated June 28, 2024 and National Securities Depository Limited dated August 8, 2024 for establishing connectivity.
2. Our Company has a website i.e. www.failtd.com.
3. There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.
4. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.
5. There has been no change in the promoter(s) having significant change in control over the affairs of the Company in the one year preceding the date of filing application to Emerge Platform of NSE.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of NSE (NSE Emerge): -

1. Our Company was originally formed as a Partnership Firm in the name and style of "M/s Auto International" under the provisions of the Indian Partnership Act, 1932 pursuant to partnership deed dated April 19, 2001. Later, pursuant to various amendments in the said partnership deed, as on April 01 2008, Rajan Mittal and Parmod Gupta were the partners of the firm. Consequently, our Firm was converted into a private limited company under the Companies Act 2013 with the name 'Forge Auto International Private Limited' pursuant to a fresh certificate of incorporation dated April 25, 2023 was issued by the Registrar of Companies, Chandigarh, Punjab bearing CIN: U25910PB2023PTC058272. Subsequently, our Company was converted into a public limited company under Companies Act with the name 'Forge Auto International Limited' pursuant to a fresh certificate of incorporation dated June 1, 2024 was issued by the Registrar of Companies, Central Processing Centre, Manesar, Gurgaon, Haryana, 122050, bearing CIN: U25910PB2023PLC058272
2. As on the date of this Red Herring Prospectus, the Company has a Paid-up Capital of Rs 804.00 Lakhs and the Post Issue Capital will be of Rs. 1,092.00 Lakhs which is less than Rs. 2500 lakhs.
3. The Company (along with the Firm converted into the company) confirms that it has track record of more than 3 years.
4. The company/entity has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

**(In Rs. Lacs)**

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth		1,660.35	1,367.73
Operating profit (earnings before interest, depreciation, Profit/(loss) from sale of Fixed Assets and tax)	1,467.85	1238.46	834.09

5. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the Company;
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies
7. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016
8. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers
9. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
10. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
11. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

- 1) We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
  - iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies (material to our company), except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 184 of this Red Herring Prospectus.
  - iv. There are no criminal cases/investigation/offences filed against the director of the company except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 184 of this Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2024.**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) 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 proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Chandigarh, Punjab in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Statement on Price Information of Past Issues handled by Hem Securities Limited (SME IPO’s):**

Mainboard – Nil

#### **SME’s IPO**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Aimtron Electronics Limited	87.02	161.00	June 06, 2024	241.00	310.93% [6.17%]	191.86% [10.42%]	N.A.
2.	Ganesh Green Bharat Limited	125.23	190.00	July 12, 2024	361.00	149.42% [-0.63%]	N.A.	N.A.
3.	Chetana Education Limited	45.90	85.00	July 31, 2024	98.90	-0.88% [1.14%]	N.A.	N.A.



Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
4.	Aprameya Engineering Limited	29.23	58.00	August 01, 2024	72.00	17.24% [1.31%]	N.A.	N.A.
5.	Sunlite Recycling Industries Limited	30.24	105.00	August 20, 2024	199.50	N.A.	N.A.	N.A.
6.	Aeron Composite Limited	56.10	125.00	September 04, 2024	150.00	N.A.	N.A.	N.A.
7.	Namo eWaste Management Limited	51.20	85.00	September 11, 2024	161.50	N.A.	N.A.	N.A.
8.	My Mudra Fincorp Limited	33.60	110.00	September 12, 2024	130.00	N.A.	N.A.	N.A.
9.	Vision Infra Equipment Solutions Limited	106.21	163.00	September 13, 2024	205.00	N.A.	N.A.	N.A.
10.	Shubhshree Biofuels Energy Limited	16.56	119.00	September 16, 2024	189.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

- 1) The scrip of Aimtron Electronics Limited has not completed its 180<sup>th</sup> day from the date of listing; Ganesh Green Bharat Limited, Chetana Education Limited and Aprameya Engineering Limited have not completed its 90<sup>th</sup> day from the date of listing and Sunlite Recycling Industries Limited, Aeron Composite Limited, Namu eWaste Management Limited, My Mudra Fincorp Limited, Vision Infra Equipment Solutions Limited and Shubhshree Biofuels Energy Limited have not completed its 30<sup>th</sup> day from the date of listing.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	15 <sup>(1)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	21 <sup>(2)</sup>	680.45	-	-	1	12	5	3	-	-	2	11	5	2
2024-25	18 <sup>(3)</sup>	841.28	-	-	1	6	1	4	-	-	-	-	-	-

- 1) The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;

- 2) The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components

Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;

- 3) The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024, Blue Pebble Limited was listed on April 03, 2024, Amkay Products Limited was listed on May 08, 2024, TGIF Agribusiness Limited was listed on May 15, 2024, Energy-Mission Machineries (India) Limited was listed on May 16, 2024, Aztec Fluids & Machinery Limited was listed on May 17, 2024, Premier Roadlines Limited was listed on May 17, 2024, Vilas Transcore Limited was listed on June 03, 2024, Aimtron Electronics Limited was listed on June 06, 2024; Ganesh Green Bharat Limited was listed on July 12, 2024; Chetana Education Limited was listed on July 31, 2024, Aprameya Engineering Limited was listed on August 01, 2024, Sunlite Recycling Industries Limited was listed on August 20, 2024, Aeron Composite Limited was listed on September 04, 2024, Namo eWaste Management Limited was listed on September 11, 2024, My Mudra Fincorp Limited was listed on September 12, 2024, Vision Infra Equipment Solutions Limited was listed on September 13, 2024 and Shubhshree Biofuels Energy Limited was listed on September 16, 2024.

#### **Track Record of past issues handled by Hem Securities Limited:**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: [www.hemsecurities.com](http://www.hemsecurities.com)

#### **Disclaimer from our Company and the Book Running Lead Manager:**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the BRLM (Hem Securities Limited) and our Company on June 24, 2024 and the Underwriting Agreement dated September 9, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated September 9, 2024 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager 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 collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **Disclaimer in Respect of Jurisdiction:**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, 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 provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute

an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ludhiana, Punjab only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the SME Platform of NSE (NSE Emerge):**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4086 dated September 13, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act:**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

The Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 was filed to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>

**Listing:**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principal approval from NSE by way of its letter dated September 13, 2024 for listing of equity shares on NSE Emerge (SME Platform of NSE).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the NSE Emerge is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE (NSE Emerge) mentioned above are taken within three (3) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Three (3) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

**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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. 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 to action under section 447 of the Companies, Act 2013

**Consents:**

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker to the Issue (Sponsor Bank), Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, **M/s. Jasinder Singh & Associates, Chartered Accountants**, Statutory Auditor and Peer Review Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated financial statements as included in this Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus.

**Experts Opinion:**

Except for the reports in the section "**Financial Information of the Company**" and "**Statement of Special Tax Benefits**" on page 131 and page 79, our company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this Red Herring Prospectus in relation to the (a) Peer review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

**Fees, Brokerage and Selling Commission payable:**

The total fees payable to the Book Running Lead Manager will be as per the (i) Book Running Lead manager Agreement dated June 24, 2024 with the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated September 9, 2024 with Underwriter and (iii) the Market Making Agreement dated September 9, 2024 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

**Fees Payable to the Registrar to the Issue:**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk

mailing register will be as per the agreement between our Company and the Registrar to the Issue dated June 26, 2024 a copy of which is available for inspection at our Company's corporate Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

**Particulars regarding Public or Rights Issues during the last five (5) years:**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 56 of this Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 56 of this Red Herring Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues:**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in since incorporation.

**Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company:**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 56 our Company has not undertaken any previous public or rights issue.

**Performance vis-a-vis objects - Last Issue of Subsidiary Companies:**

As on the date of this Red Herring Prospectus, our Subsidiary Companies have not undertaken any public issue.

**Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Red Herring Prospectus.

**Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Outstanding Convertible Instruments:**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

**Stock Market Data of the Equity Shares:**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

**Mechanism for Redressal of Investor Grievances:**

The agreement between the Registrar to the Issue and our Company dated June 26, 2024 provides for retention of records with the Registrar to the Issue for a minimum period of three (3) years from the date of listing and commencement of trading of the Equity

Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Our Company has not received any investor complaint during the 3 years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus. Our Group Company is not listed on any stock exchange.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Applicant, ASBA Form number, Applicant's DP ID, Client ID, PAN, address of applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Bidders who make the payment of Application Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular dated October 14, 2021 (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Red Herring Prospectus.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and subject to applicable law, any ASBA Applicant whose Application 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 3 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 Applications submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Applicants shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company:**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Medhavi Sharma, as Company Secretary and the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

#### **Medhavi Sharma**

**Company Secretary & Compliance Officer**

**Forge Auto International Limited**

**Address:** Village Mangarh, Kohara-Machhiwara Road

Ludhiana, Punjab- 141001, India

Tel. No.: +91 8999999195

**Email:** [cs@faipl.com](mailto:cs@faipl.com)

**Website:** [www.failtd.com](http://www.failtd.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

Our Board by a resolution on June 17, 2024 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “*Our Management*” beginning on page 115 of this Red Herring Prospectus.

**Status of Investor Complaints:**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company:**

We do not have any listed company under the same management.

**Tax Implications:**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page 79 of this Red Herring Prospectus.

**Purchase of Property:**

Other than as disclosed in Section “*Our Business*” beginning on page 92 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits:**

Except as disclosed under section titled “*Capital Structure*” beginning on page 56 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

**Revaluation of Assets:**

Our Company has not revalued its assets since incorporation.

**Servicing Behaviour:**

Except as stated in this Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of our Company:**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 115 and chapter titled “*Financial Information*” beginning on page 131 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any:**

Not Applicable

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, 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 Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Offer of upto 28,80,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 03, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 04, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank Pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 243 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on page 130 and 243 respectively of this Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹10.00 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹[●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Ludhiana edition of Punjabi Jagran, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. 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 website of the Stock



Exchange. The Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager, after the Bid/ Issue 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 the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with SEBI (ICDR) Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **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, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 243 of this Red Herring Prospectus.

#### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated August 8, 2024 between NSDL, Our Company and Registrar to the Issue; and
- Tripartite Agreement dated June 28, 2024 between CDSL, Our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE (Emerge platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ludhiana, Punjab.

**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 may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being**

offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 of the Companies Act, 2013 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue 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 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Issue Program

Event	Indicative Date
Bid/ Issue Opening Date	September 26, 2024
Bid/ Issue Closing Date	September 30, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	October 01, 2024
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	October 03, 2024
Credit of Equity Shares to Demat Accounts of Allottees	October 03, 2024
Commencement of Trading of The Equity Shares on the Stock Exchange	October 04, 2024

*The above time table is indicative and does not constitute any obligation on our Company. 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 NSE is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.*

*Note <sup>1</sup>Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI (ICDR) Regulations.*

*<sup>2</sup>Our Company, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations.*

<sup>3</sup>UPI mandate end time and date shall be at 5.00 p.m. on Bid/Issue Closing Date

\*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/ Issue 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/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 Exchange are taken within three Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Bid/ Issue Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and NSE taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue 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 Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Manager and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

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 or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical

or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of one Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "**General Information - Underwriting**" on page 50 of this Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the NSE (Emerge platform of NSE), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the Emerge platform of NSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled “*General Information - Details of the Market Making Arrangements for this Issue*” on page 53 of this Red Herring Prospectus.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge platform of National Stock Exchange of India Limited.

#### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled “*Capital Structure*” beginning on page 56 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 243 of this Red Herring Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

#### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar of the Issue, 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 exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

**ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten crore rupees but less than twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge i.e. Emerge platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 205 and 215 of this Red Herring Prospectus

**Issue Structure:**

Initial Public Issue of upto 28,80,000 Equity Shares of ₹10 each (*the “Equity Shares”*) for cash at a price of ₹[●] per Equity Share (including a Share Premium of ₹[●] per Equity Share), aggregating up to ₹[●] Lakhs (*“the Issue”*) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto 1,46,400 Equity Shares of ₹10 each for subscription by the designated Market Maker (*“the Market Maker Reservation Portion”*) and Net Issue to Public of upto 27,33,600 Equity Shares of ₹10 each (*“the Net Issue”*). The Issue and the Net Issue will constitute 26.37% and 25.03 %, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 1,46,400 Equity Shares	Not more than 13,65,600 Equity Shares	Not less than 4,10,400 Equity Shares	Not less than 9,57,600 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	5.03% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB 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 QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15.00% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35.00% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity	Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” beginning on page 215 of this Red Herring Prospectus.	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “Issue Procedure” beginning on page 215 of this Red Herring Prospectus.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	1,46,400 Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	1,46,400 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

Subject to finalization of basis of allotment.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

<sup>(1)</sup> Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

<sup>(2)</sup> In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

<sup>(3)</sup> Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

<sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum-Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “Issue Procedure - Bids by FPIs” on pages 215 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.



If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (*one each in English and Hindi*) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public Issue of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

### Issue Program

Event	Indicative Date
Bid/ Issue Opening Date	September 26, 2024
Bid/ Issue Closing Date	September 30, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	October 01, 2024
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	October 03, 2024
Credit of Equity Shares to Demat Accounts of Allottees	October 03, 2024
Commencement of Trading of The Equity Shares on the Stock Exchange	October 04, 2024

*Note <sup>1</sup>Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI (ICDR) Regulations.*

*<sup>2</sup>Our Company, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to NSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "General Information Document") which highlights the key rules, processes and procedures applicable to public Issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+3 days ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+3 days is applicable for a period of three months or launch of five main board public Issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular is effective for initial public Issues opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public Issue (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public Issue from existing 6 working days to 3 working days from the date of the closure of the Issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public Issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public Issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited ("NSE EMERGE") to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above-mentioned website of Platform of National Stock Exchange of India Limited ("NSE EMERGE"). Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or

maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and Red Herring Prospectus. Further, the Company and the LM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public Issue of inter alia, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("Previous UPI Circulars") and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public Issue closure to listing from three Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars and the Previous UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public Issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be three Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public Issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public Issue closure to listing continues to be three Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all Issues opening on or after September 1, 2023 and on a mandatory basis for all Issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public Issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs Offering facility of making application in public Issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue Paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual

Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

### **Anchor Investors are not permitted to participate in the Issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour*</b>
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

### **Applications not to be made by:**

1. Minors (except through their Guardians)

2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

### 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## METHOD OF BIDDING PROCESS

Our Company in consultation with the Book Running Lead Manager will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ludhiana Edition of Regional newspaper Punjabi Jagran where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ludhiana Edition of Regional newspaper Punjabi Jagran where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. The Book Running Lead Manager shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the

demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a Book Running Lead Manager or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Book Running Lead Manager or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the Book Running Lead Manager /the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The Book Running Lead Manager shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*” in the section “**Issue Procedure**” beginning on page 215 of this Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the Book Running Lead Manager, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the Book Running Lead Manager, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders May Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.



- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities Issued to an anchor investor shall not be lower than the price Issued to other applicants.

#### **Participation by Associates /Affiliates of Book Running Lead Manager and the Syndicate Members**

The Book Running Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the Book Running Lead Manager nor any persons related to the Book Running Lead Manager (other than Mutual Funds sponsored by entities related to the Book Running Lead Manager), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **Option to Subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be file with the ROC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or

other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the 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.
- 11) The Book Running Lead Manager, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the Book Running Lead Manager) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the Book Running Lead Manager and made available as part of the records of the Book Running Lead Manager for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRIS:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Book Running Lead Manager and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA 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 FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI 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 SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In 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-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial 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 the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the

SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

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 AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the 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 and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUF'S:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications 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 reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (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;
- 2) 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
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to 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
- e) Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial 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.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public Issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹[●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, 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: “Forge Auto International Limited IPO-- ANCHOR ACCOUNT-- R”
- b) In case of Non-Resident Anchor Investors: “Forge Auto International Limited IPO--ANCHOR ACCOUNT-- NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the

necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications,



except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO 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 Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our 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 Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Manager at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the Book Running Lead Manager, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI (ICDR) Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the Book Running Lead Manager 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.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the Book Running Lead Manager, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- Our company has entered into an Underwriting Agreement dated September 9, 2024.
- A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI (ICDR) Regulations. 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 X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/Issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

- 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;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the

- case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
  9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
  10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
  11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in 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);
  12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  14. Ensure that the Demographic Details are updated, true and correct in all respects;
  15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
  16. 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;
  17. Ensure that the category and the investor status is indicated;
  18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
  19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  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 Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
  21. 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;
  22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
  23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
  24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
  25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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;
  26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  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 / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders 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 Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

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 member of the Syndicate, SCSB or Registered Broker 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.

#### **Investor Grievance**

In case of any pre-Issue or post Issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders 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 Exchange platform Bidders are requested to refer to the Red Herring Prospectus.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids 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. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Red Herring Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### **Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

### **Process for generating list of Allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

## **BASIS OF ALLOTMENT**

### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid

in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI (ICDR) Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - 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, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the Book Running Lead Manager, 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 ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares Issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Red Herring Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.



- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 24 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public Issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

#### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

##### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

#### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. 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 Regulations and applicable law for the delayed period.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the 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;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated August 8, 2024 between NSDL, the Company and the Registrar to the Issue;
- Tripartite Agreement dated June 28, 2024 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN: INE0YKW01013.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/ restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/ statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis**

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by an NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.**

## **SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. 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.*

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on April 15, 2024. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

### **INTERPRETATION**

- I. In these regulations— “the Act” means the Companies Act, 2013, “the seal” means the common seal of the company. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. **DEFINITION OF PUBLIC COMPANY:** “Public Company” means a company which (a) is not a private company; (b) has a minimum paid-up share capital as may be prescribed: Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors 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.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) 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 company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub- section (6) of section 40, provided that the rate percent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) 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.
6. (i) 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 section 48, and whether

or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. 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.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9. (i) 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.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii) That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

10. 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.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) 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.

(ii) 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.

#### **CALLS ON SHARES**

13. (i) 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:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.
18. 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 not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

19. (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.  
(iii) That a common form of transfer shall be used
20. The Board may, subject to the right of appeal conferred by section 58 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.
21. The Board may decline to recognise any instrument of transfer unless—  
(a) the instrument of transfer is in the form as prescribed in rules made under sub- section (1) of section 56;  
(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.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

23. (i) 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 recognised by the company as having any title to his interest in the shares.  
(ii) Nothing in clause (i) 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.  
(iii) That a common form of transmission shall be used
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—  
(a) to be registered himself as holder of the share; or  
(b) to make such transfer of the share as the deceased or insolvent member could have made.  
(ii) 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.



25. (i) 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.  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  
(iii) 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.

26. 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.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. 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.

29. 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.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) 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 to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) 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.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the 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;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations 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.

### **ALTERATION OF CAPITAL**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) 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.
- (e) Permission for sub-division/ consolidation of share certificates

36. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (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.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### **CAPITALISATION OF PROFITS**

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, 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 capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(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.

### **PROCEEDINGS AT GENERAL MEETINGS**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. 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 of their members to be Chairperson of the meeting.

46. 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 choose one of their members to be Chairperson of the meeting.

### **ADJOURNMENT OF MEETING**

47. (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

48. 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.

(c) That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) 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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. 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.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

53. 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.

54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. 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:

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**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The First Directors of the company are:

1. RAJAN MITTAL
2. PARMOD GUPTA

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) 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.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. 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.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, 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.

(ii) 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.

## **PROCEEDINGS OF THE BOARD**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. 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.

68. The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. 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.

69. (i) 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.

(ii) 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.

70. (i) A committee may elect a chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. 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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **THE SEAL**

76. (i) The Board shall provide for the safe custody of the seal.

(ii) 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 authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

79. (i) 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 applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) 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.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

81. 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.

82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. 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.

84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

85. No dividend shall bear interest against the company.

## **ACCOUNTS**

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## **WINDING UP**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) 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.

(ii) 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.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**

88. Every officer of the company shall be indemnified out of the assets of the company 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 in which relief is granted to him by the court or the Tribunal.

**OTHERS**

89. To borrow from any state financial corporations, Banks, companies firms or other financial institutions any terms loan or other sums on such security and other charges as stipulated by the financial corporation or Banks with mortgage on all or any of property of the Company whether present or future or both. To borrow and lend from/to body corporate / s, but as per the provisions applicable from time to time, with necessary approvals required.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, will be filed with the Registrar of Companies. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the corporate office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Issue Agreement dated June 24, 2024 between our Company and the Book Running Lead Manager to the Issue.
2. Registrar Agreement dated June 26, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue and Sponsor Bank Agreement dated September 12, 2024 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Underwriting Agreement dated September 9, 2024 between our Company, Book Running Lead Manager and Underwriter.
5. Market Making Agreement dated September 9, 2024 between our Company, Book Running Lead Manager and Market Maker.
6. Tripartite Agreement dated June 28, 2024 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated August 8, 2024 among NSDL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated September 9, 2024 between the Company, BRLM and Syndicate Members.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation pursuant to the Conversion of Partnership firm into Company dated April 25, 2023 issued by the Registrar of Companies, Chandigarh, Punjab.
3. Fresh Certificate of Incorporation pursuant to conversion of Private Limited Company into Public Limited Company dated June 1, 2024 issued by the Registrar of Companies, Central Processing Centre, Manesar, Gurgaon, Haryana
4. Copy of the Board Resolution dated June 03, 2024 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated June 04, 2024 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2024, 2023 and 2022.
7. Copies of the Restated Financial Statement of our Company for financial year ended March 31, 2024, 2023 and 2022.
8. Copy of the Statement of Possible Special Tax Benefits dated September 14, 2024 from the Statutory Auditor.
9. Certificate on KPI's issued by Statutory Auditor dated September 14, 2024.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditor of the Company, Market Maker, Underwriter, Bankers to our Company, Banker to the Issue/ Sponsor Bank, Syndicate Member, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated for approval of Red Herring Prospectus June 30, 2024 and dated September 19, 2024 for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated June 30, 2024.
13. Approval from NSE vide letter dated September 13, 2024 to use the name of NSE in the offer Documents for listing of Equity Shares on the SME Platform of National Stock Exchange of India Limited.



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Rajan Mittal Managing Director DIN: 10118277	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Parmod Gupta</b> Chairman & Whole-time director DIN: 10132317	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Ansh Jain</b> Independent Director DIN: 10331488	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Bhupinder Preet Kaur</b> Independent Director DIN: 09074080	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Navneet Kaur Independent Director DIN: 10279779	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Medhavi Sharma Company Secretary & Compliance Officer M No. A64274	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Gautam Kanchan Chief Financial Officer	Sd/-

Date: September 19, 2024

Place: Ludhiana, Punjab